



Daily Report

East Asia

FBIS-EAS-94-092
Thursday
12 May 1994

Daily Report

East Asia

FBIS-EAS-94-092

CONTENTS

12 May 1994

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Time 'Not Yet Ripe' To Resume U.S. Talks [KYODO]	1
MITI Minister, Mondale Pledge Talks Efforts [KYODO]	1
Kakizawa, Mondale: Trade Talks Needed by Jul [KYODO]	1
Hata Repeats Call for U.S. Talks Resumption [KYODO]	1
Kobayashi on Seeking Renewed U.S. Trade Talks [KYODO]	2
Hata Denies Secret U.S. Nuclear Agreement [KYODO]	2
Hikasa, U.S. Agree on Information Superhighway [KYODO]	3
Opposition to Russian G-7 Membership Expressed	3
Tsutomu Hata: 'Still Too Early' [KYODO]	3
Senior Finance Official Comments [KYODO]	4
G-7 Not Cooperating for Exchange Rates 'Alone' [KYODO]	4
Minister Pledges Efforts 'To Deepen' PRC Ties [KYODO]	4
Update on Detainment of Suspected Illegals [KYODO]	4
Advertising Agency Plans Joint Venture in PRC [KYODO]	5
Hata Says Collective Security Unconstitutional [KYODO]	5
State Fails To Meet Deadline on Textbook Ruling [KYODO]	6
Election Under Present System 'Possibility' [KYODO]	6
Takemura Backs Call for Election [KYODO]	6
Hata Proposes Holding Opposition Leaders Summit [KYODO]	7
Kono Appeals for Hata Meeting, SDPJ Meeting [KYODO]	7
Takemura Predicts 'Change in Power' After Budget [KYODO]	7
Oil Firms Announce Wholesale Price Increase [KYODO 12 May]	7

North Korea

ROK Criticized for 'Chemical Weapons' Production [KCNA]	8
KCF Warns ROK Against Nuclear Development [KCNA]	8
Ministry: ROK Kidnaps Loggers From Russia [KCNA]	8
Cooperation in Repatriation of POW's Urged [KCNA]	9
ROK Family Interviewed After Defection [KCNA]	10
ROK-U.S. Joint Military Exercises Reported [KCNA]	10
Article Discusses U.S. Forces 'Arms Buildup' [KCNA]	11
Cilreco Supports Foreign Ministry Statement [KCNA]	11
Foreign Public Figures Denounce U.S. 'Plot' [KCNA]	11
Spokesman Denounces U.S. 'Double Standard' [Pyongyang Radio]	12
Circulation of 3 May Document at UN Reported [KCNA]	12
Japan Criticized for Remarks, Nuclear Armament [KCNA]	12
Suppression of Chongnyon Said Denounced in Japan [KCNA]	13
Russian Koreans on Relocation of Sakhalin Koreans [KCNA]	13
Minister Meets Visiting Iranian Delegation [KCNA]	13
Reception Hosted for Zimbabwean Delegation [KCNA]	13
Anniversary of Diplomatic Ties With Nepal Marked [KCNA]	14
Kim Il-song Sends Greetings to Ivorian Official [KCNA]	14
Kim Il-song Receives More Birthday Messages [KCNA]	14
Kim Chong-il Thanks Artists' Agitation Group [KCNA]	14
Film Studios' Release of New Movies Reported [KCNA]	15
Women's Union Holds Pyongyang Meeting 9-10 May [Pyongyang Radio]	15

South Korea

IAEA Proposes Inspections to DPRK 'Again' [Seoul Radio]	16
---	----

'Considerable Progress' in U.S.-DPRK Talks [YONHAP]	16
UN Envoy: DPRK To Accept IAEA Inspections [Seoul Radio]	17
Welcomes Inspectors 'Anytime' [YONHAP]	17
Seoul Gives 'Go-Ahead' for U.S.-DPRK Talks [THE KOREA TIMES 12 May]	17
Unification Minister on DPRK, Domestic Issues [CHUNGANG ILBO 12 May]	18
Nuclear, Economic Issues Linked [YONHAP]	20
'Positive' Attitude on DPRK Issue [Seoul Radio]	20
Japan's Initial Explanation on Plutonium Viewed [Seoul Radio]	20
DPRK 'Request' for PRC Mediation Reported [Seoul Radio]	20
PRC Minister Declines Comment on DPRK Loggers [YONHAP]	21
PRC Asks ROK Firms Not To Aid DPRK Fugitives [KWANGJU ILBO 9 May]	21
Iranian Oil Minister Aqazadeh Holds Talks [Tehran IRNA]	21
France Thanked for Assisting Koreans in Yemen [YONHAP]	21
Foreign Minister on Post-UR Foreign Policy [YONHAP]	22
Ministry To Ease Foreign Exchange Regulations [THE KOREA HERALD 10 May]	22

SOUTHEAST ASIA

Burma

SRV Prime Minister Begins Official Visit	24
Arrives in Rangoon [Rangoon Radio]	24
Than Shwe Receives Vo Van Kiet [Rangoon Radio]	24
SRV Forestry Minister Calls on Chit Swe [Rangoon Radio]	24
Khun Sa Interviewed on Current Issues [THE NATION 10 May]	24
Khun Sa's 'Top Political Aide' Profiled [THE NATION 9 May]	26

Cambodia

Sihanouk Says He is 'Dying Very Soon' [AFP]	28
Daily Says King To Get Full Executive Powers [CAMBODIA TIMES 8-14 May]	28
Sihanouk Rejects Full Power; To Return to Beijing [AKP]	29
Sihanouk Says UN Operation 'A Waste' of Money [AFP]	29
Sihanouk Issues New Plea for Military Aid [AFP]	30

Indonesia

Suharto Receives New Envoy From New Zealand [THE INDONESIA TIMES 6 May]	30
Impact of Economic Globalization Evaluated [KOMPAS 29 Apr]	31
Jailed Resistance Leader Gusmao Reelected [Lisbon Radio]	31
* Megawati Urges PDI Unity for 1997 Election [KOMPAS 29 Mar]	32
* Open Succession Process and Procedures Urged [KOMPAS 26 Mar]	32
* Islamic Center Planned in South Sulawesi [BISNIS INDONESIA 5 Mar]	33

Laos

Border Transit Memorandum Signed With Thailand [Vientiane Radio]	34
Thongsing Thammavong Receives CPV Delegation [Vientiane Radio]	34
Trade Talks Held With Visiting Cambodian Group [Vientiane Radio]	35
Army Political Group Leaves for SRV Visit [Vientiane Radio]	35

Philippines

Pact With Malaysia Addresses 'Major Irritant' [PHILIPPINE DAILY INQUIRER 7 May]	35
Release of Captured Communist Leader Denied [Quezon City Radio-TV]	36
Detention of Captured Communist Leader Continues [Quezon City Radio]	36
Military Deactivates 25 Armed Civilian Units [BUSINESS WORLD 5 May]	37
Economic Development Defeats Insurgency in Rizal [PHILIPPINE DAILY INQUIRER 8 May] ..	37
Three Thousand Winners in Local Elections Cited [Quezon City TV]	38

Thailand

Reports on U.S. Drug Probe on MP Thanong Continue	38
Chat Thai To Ask MP To Quit House [BANGKOK POST 12 May]	38
Government Action Urged [THE NATION 12 May]	38
Comment by Legal Experts [THE NATION 12 May]	39
Paper Urges Speedy Investigation [THAI RAT 10 May]	40

House Urged To Clarify Drug Charge [MATICHON 11 May]	41
Lighter Firm Faces Dumping Charge in U.S. [BANGKOK POST 11 May]	41
Tax Exemption Agreement Signed With Saudi Arabia [Bangkok Radio]	41
Banned Wood Smuggling From KR Area Continues [BANGKOK POST 11 May]	42
Tourism Cooperation Agreement Signed With Laos [Bangkok Radio]	43
Council Initiates Environmental Projects [BANGKOK POST 11 May]	43
Yunnan Governor Arrives for Observation Tour [XING XIAN RIBAO 12 May]	43
Fighting Between Khun Sa, Burmese Forces Reported [KRUNGTHEP THURAKIT 12 May]	44

Vietnam

Vo Van Kiet Begins Official Visit in Rangoon	44
Received by Burmese Counterpart [VNA]	44
Radio Positive on Ties With Burma [Hanoi International]	44
Vo Van Kiet's Activities Updated [Hanoi Radio]	45
Lao Military Delegation Meets Defense Minister [VNA]	45

Japan

Time 'Not Yet Ripe' To Resume U.S. Talks

OW1205094794 Tokyo KYODO in English 0923 GMT
12 May 94

[Text] Tokyo, May 12 KYODO—The time is not yet ripe for Japan and the United States to resume ministerial talks in the deadlocked trade "framework" negotiations, a senior Trade Ministry official said Thursday [12 May].

Both parties should first lay the groundwork for the resumption of the framework talks through subcabinet-level negotiations, said the official at the Ministry of International Trade and Industry, who declined to be identified.

As one option, the official cited the possibility of sending Sozaburo Okamatsu, vice MITI minister for international affairs, to Washington.

But dispatch of cabinet ministers like the foreign minister would not be timely, the MITI official said, noting that sending such high-ranking officials with no specific proposals would further undermine the already-soured trade ties with Washington.

MITI Minister, Mondale Pledge Talks Efforts

OW1205032294 Tokyo KYODO in English 0306 GMT
12 May 94

[Text] Tokyo, May 12 KYODO—Japanese Trade Minister Eijiro Hata and U.S. Ambassador to Japan Walter Mondale on Thursday [12 May] agreed that Japan and the United States will try to resume the stalled trade "framework" talks at an early time, a ministry official said.

The accord was reached when Mondale paid a courtesy call on Hata, chief of the Ministry of International Trade and Industry (MITI), at the latter's office for the first time since the cabinet of Prime Minister Tsutomu Hata was formed in late April.

Neither Mondale nor Hata, however, made reference to specific issues of the framework talks, the official told reporters. Hata and Mondale agreed to have continued dialogue for an early breakthrough in the talks, the official said.

The talks on a proposed new framework for bilateral trade broke down in February at the summit of then Japanese Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton.

Kakizawa, Mondale: Trade Talks Needed by Jul

OW1205052294 Tokyo KYODO in English 0504 GMT
12 May 94

[Text] Tokyo, May 12 KYODO—Foreign Minister Koji Kakizawa and U.S. Ambassador to Japan Walter Mondale agreed Thursday [12 May] that the two nations will try to resume the bilateral trade talks prior to the July summit of industrialized countries, a ministry official said. The accord on the stalled trade "framework" talks was reached when Mondale paid a courtesy call on Kakizawa at the Foreign Ministry for the first time since the cabinet of Prime Minister Tsutomu Hata was formed in late April.

Kakizawa was quoted as saying there will be opportunities for the two nations to have trade talks prior to the summit meeting of Group of Seven (G-7) industrialized nations to be held in early July in Naples.

Mondale said he has similar views on holding the trade talks, according to the official.

Kakizawa expressed his hope to visit the United States soon. He did not mention the timing of the visit, noting he has a series of debates in the Diet to attend, the official said.

Mondale met Minister of International Trade and Industry Eijiro Hata earlier in the day and they exchanged similar views on the need to resume the trade talks.

Hata Repeats Call for U.S. Talks Resumption

OW1205074694 Tokyo KYODO in English 0728 GMT
12 May 94

[Text] Tokyo, May 12 KYODO—Prime Minister Tsutomu Hata said Thursday [12 May] he wants to see Japanese and U.S. trade officials return to the negotiating table for the deadlocked framework trade talks before the July summit meeting of the Group of Seven major industrial countries.

Hata said at a plenary session of the House of Representatives that negotiations in specific areas should be resumed before the summit, adding his government will seize every opportunity to reopen the bilateral talks, founded in February. But Hata reiterated Japan cannot accept numerical targets to measure market access improvement, saying setting such targets runs counter to Japan's basic stance on trade.

Bilateral trade relations soured after former Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton failed at their meeting in February to reach a trade pact under a bilateral framework agreement in July 1993.

The talks broke down after Japan rejected a U.S. demand for numerical targets to gauge progress in such areas as the auto, insurance, medical equipment and telecommunications markets.

Hata said his government plans to pursue bold economic reforms, focused on deregulations and domestic demand-led growth to solve the bilateral dispute over Japan's huge trade surplus with the United States.

On current economic conditions, Hata said the domestic economy remains by and large in a slump despite some bright signs.

While pointing to a brisk housing sector and a slight recovery in consumer spending, he admitted corporate capital investments continue to decline, and the labor market is weak with prospects for corporate earnings still bleak. He said the government will make every effort to put the economy back on a firm footing "as early as possible in fiscal 1994."

The government will place a high priority on securing a stable labor market and on sustainable economic growth propelled by expansion of domestic demand, he said.

Kobayashi on Seeking Renewed U.S. Trade Talks

OW1205082994 Tokyo KYODO in English 0751 GMT 12 May 94

[Text] Tokyo, May 12 KYODO—Japan should pursue a breakthrough in the stalled trade "framework" talks with Washington by focusing on "objective criteria," Yotaro Kobayashi, chairman of the Japan-U.S. Business Council, said Thursday [12 May]. "There is something that Japan can and should do (on objective criteria)," Kobayashi told a luncheon sponsored by the Foreign Correspondents' Club of Japan.

Kobayashi said objective criteria are concepts that Tokyo and Washington previously agreed to work on in their efforts to establish a new bilateral trade framework.

It is not "a difficult task" to evaluate American access to Japanese markets by using certain criteria that describe a "so-called desired state" in certain trade sectors, said Kobayashi, who is also chairman of Fuji Xerox Co.

Such criteria, first spelled out in a joint statement issued after the July 1993 summit between then Prime Minister Kiichi Miyazawa and U.S. President Bill Clinton, differ from "numerical targets," which Tokyo has opposed as managed trade, Kobayashi said.

"I am sure both governments can agree to the use of 'desired state.' It does not have to be stated in specific numbers or market share figures, but it can be stated in mutually agreed terms like visibly reducing the current account surplus," Kobayashi said.

If sales of certain U.S. products in Japan stay flat in the future despite Tokyo's purchasing pledge, discussions to improve the situation can then be held, he said.

The statement from the Miyazawa-Clinton summit indicated the two countries will "assess the implementation of measures and policies taken in each sectoral and

structural area... [ellipses as received] based upon sets of objective criteria, either qualitative or quantitative or both as appropriate."

Kobayashi said the perception that the U.S. demands numerical targets is wrong. Clinton "clearly and unequivocally" stated Washington does not want such targets, in a joint news conference after meeting with then Japanese Prime Minister Morihiro Hosokawa in February, Kobayashi said.

Hata Denies Secret U.S. Nuclear Agreement

OW1205093994 Tokyo KYODO in English 0916 GMT 12 May 94

[Text] Tokyo, May 12 KYODO—Prime Minister Tsutomu Hata denied Thursday [12 May] that Japan had secretly agreed with the United States in 1969 to allow Washington to deploy nuclear arms on Okinawa island to defend Japan and America's other Asian allies in times of emergency.

"Although former Prime Minister (Eisaku) Sato and U.S. President (Richard) Nixon were recently alleged to have signed the secret agreement, such a pact does not in fact exist," Hata told the House of Representatives plenary session.

"My government will firmly continue to live up to Japan's three antinuclear principles," Hata said in response to Tomiichi Murayama, leader of the Social Democratic Party (SDP) [of Japan, SDPJ], the nation's No. 2 opposition party. The three principles bar Japan from manufacturing and authorizing foreign nations to bring to or store nuclear weapons on Japanese soil.

Hata was referring to a recent allegation in a book authored by Kei Wakaizumi, a former special emissary of Sato, in negotiations with the Nixon administration, that led up to a 1969 accord to return then U.S.-held Okinawa to Japanese sovereignty without the presence of nuclear weapons there.

Wakaizumi, a former Defense Agency researcher, alleged Sato and Nixon signed the top-secret memorandum at the White House on November 21, 1969. The memorandum says Japan is aware of U.S. expectations for a favorable response to possible U.S. requests to deploy nuclear weapons on Okinawa in times of a contingency.

Wakaizumi, who negotiated with then National Security Adviser Henry Kissinger on behalf of Sato who sought Okinawa's return without nuclear arms, quoted Sato as saying, "Because Mr. Nixon signed (the memorandum) with his full name, I also signed it with my full name."

The former lecturer at the Johns Hopkins University said Sato demanded that the signing be shrouded in secrecy for fear of angering Japanese media people, many of whom were then balking at the Japan-U.S. security treaty.

Murayama told the Diet, "Then the special envoy of Prime Minister Sato exposed the secret agreement that authorizes the United States to deploy nuclear weapons in times of a contingency, which was inked after the announcement of the Japan-U.S. communique in November 1969."

Hata issued his denial after the SDP leader rapped the government for allowing the presence of U.S. military bases in Okinawa by referring to the recent crash of two F-15 U.S. jet fighters, which Murayama said pained Okinawan residents.

Hata also spurned Murayama's demand to immediately resume negotiations with North Korea to establish diplomatic ties with Pyongyang. "Japan will never normalize its relations with North Korea unless the country clears up international suspicions over its suspected nuclear weapons program," the premier said.

He urged Pyongyang to comply with the U.N. Security Council presidential statement, which called for North Korea to allow the International Atomic Energy Agency to conduct unimpeded inspection of its nuclear facilities.

On a related topic, Hata also said Japan's Constitution prohibits the country's involvement in collective security, brushing aside concerns that his government may move toward active military actions overseas.

"I think collective security is beyond the boundary of the Constitution, and it is in practice not permitted," he said. "I have no intention to change" the conventional interpretation of the Constitution by the postwar Japanese Government on the issue, he said.

He was responding to a query by Yohei Kono, president of the Liberal Democratic Party, the No. 1 opposition party.

Although Japan has the right for collective security in terms of international law, Hata argued the war-denouncing Constitution only grants Japan the "minimum necessary" rights for self-defense.

Hata also displayed a cautious stance toward the proposed legislation to deal with a contingency on the Korean peninsula. The issue requires a "highly political judgment" and "should be considered cautiously," he said.

The remark is an apparent effort to distance himself from some key cabinet members, including Foreign Minister Koji Kakizawa, who recently called for early steps toward legislation for dealing with international emergencies, such as the crisis over North Korea's suspected nuclear arms program.

However, in a reply to Murayama's similar question, Hata said, "The government is now considering such legislation to eliminate any ambiguities (concerning a response to a contingency) as it should appeal to the public to endorse it when necessary."

Hikasa, U.S. Agree on Information Superhighway
OW1205073394 Tokyo KYODO in English 0708 GMT 12 May 94

[Text] Tokyo, May 12 KYODO—Posts and Telecommunications Minister Katsuyuki Hikasa and a U.S. leader of the "information superhighway" project agreed Thursday [12 May] to cooperate in the construction of an optical-fiber global information network, ministry officials said. Hikasa met with Edward McCracken, cochairman of the U.S. National Information Infrastructure (NII) Council, who is visiting Tokyo.

Japan is preparing to build an optical-fiber network for domestic communications, and is calling for a wider network joined by South Korea and other Asian nations.

The ministry officials said Hikasa told McCracken that Japan will back the Global Information Infrastructure (GII) project which is being promoted by the United States.

The GII plan was proposed by U.S. Vice President Al Gore in March. It aims to provide instant access to information around the world through a large optical-fiber communication network.

Opposition to Russian G-7 Membership Expressed

Tsutomu Hata: 'Still Too Early'
OW1205131494 Tokyo KYODO in English 1250 GMT 12 May 94

[Text] Tokyo, May 12 KYODO—Prime Minister Tsutomu Hata said Thursday [12 May] it is "still too early" for the Group of Seven (G-7) member industrialized countries to grant full membership to Russia. Hata told reporters Japan favors the present formula of "G-7 plus one" postsummit dialogue with Russia.

His comment was in response to reports from Moscow that President Boris Yeltsin wants to make Russia an eighth member of the group, which consists of Britain, Canada, France, Germany, Italy, Japan and the United States.

Hata said Russia is still a recipient of economic and financial aid but its political influence is undeniably strong as in the case of the military conflict in the former Yugoslavia.

A high-ranking Foreign Ministry official, speaking on condition of anonymity, noted that many members of the G-7 countries, at a recent meeting of G-7 government representatives, were against Russia's participation in the dialogue as a regular member.

A senior Finance Ministry official also said, "It is difficult for both donors and a recipient nation like Russia to sit at the same table."

Senior Finance Official Comments

*OW1205103894 Tokyo KYODO in English 1025 GMT
12 May 94*

[Text] Tokyo, May 12 KYODO—Japan opposes moves by Russia to join the Group of Seven (G-7) economic powers, a senior Finance Ministry official said Thursday [12 May]. The official, who requested anonymity, said, "It is difficult for both donors and a recipient nation like Russia to sit at the same table."

The official was responding to a news report that said President Boris Yeltsin hoped Russia will be allowed to join the G-7 group of industrialized nations. He made the remarks at a news conference with [the] German chancellor in Bonn.

"Japan expects Russia to play a big role in resolving the Bosnia issue. Yeltsin seems to be pandering to domestic considerations in trying to show that Russia is a strong country and a big power," the finance official said.

G-7 Not Cooperating for Exchange Rates 'Alone'

*OW1205094494 Tokyo KYODO in English 0901 GMT
12 May 94*

[Text] Tokyo, May 12 KYODO—Japan and other leading industrial nations are cooperating on credit policy but not simply to prop up the dollar, a top Finance Ministry official said Thursday [12 May].

Vice Finance Minister Jiro Saito told a regular news conference that the Group of Seven (G-7) nations agree on promoting "stable economic growth without inflation" and that Japan is cooperating as a G-7 member. But he said each country is making its own policy to further that goal and they "are not necessarily (cooperating) for the sake of foreign exchange alone."

Reports have surfaced in recent days that Japan, the United States, Germany and other major nations are acting together on interest rates, in addition to recent concerted central bank interventions in the currency markets to boost the dollar.

Germany's Bundesbank on Wednesday cut two key rates by 0.5 percentage point each, with other European central banks following suit. The Bank of Japan has been guiding market rates to record lows through generous liquidity funding operations.

On the other hand, the U.S. Federal Reserve is widely expected to raise rates again Tuesday. Higher rates in the recovering U.S. economy and lower rates in the other still-sluggish economies are expected to boost the dollar, which bounced back from near-record lows around 100 yen after the market interventions of the past two weeks.

Saito said the Finance Ministry and the Bank of Japan do not differ on monetary policy. Central bank chief Yasushi Mieno said Wednesday he intends to keep rates low.

Minister Pledges Efforts 'To Deepen' PRC Ties

*OW1205111194 Tokyo KYODO in English 1055 GMT
12 May 94*

[Text] Tokyo, May 12 KYODO—Japanese Trade Minister Eijiro Hata on Thursday [13 May] pledged that Tokyo would make efforts to deepen its ties with China. Japan should do its utmost to make its ties with China "fruitful" while reflecting on the recent controversial remark by a Japanese cabinet minister, International Trade and Industry Minister Hata told a Chinese economic delegation.

Hata received a courtesy call at his office from Ye Qing, vice minister of the Chinese State Planning Commission.

Qing heads an eight-member team currently visiting Japan to hold subcabinet-level consultations Thursday and Friday with a Japanese delegation led by Hideaki Kumano, vice international trade and industry minister.

Hata was referring to last week's remark by the justice minister denying that the 1937 Nanjing massacre by Japanese troops ever took place.

Update on Detainment of Suspected Illegals

*OW1205120394 Tokyo KYODO in English 1137 GMT
12 May 94*

[Text] Matsue, May 12 KYODO—Fourteen out of 94 foreigners, most of whom are apparently Chinese, were arrested after arriving illegally in Japan aboard a freighter, police said Thursday [12 May]. About 50 passengers apparently remain aboard the vessel registered in Honduras, while some 30 who went ashore are missing, they said.

A fishing boat discovered the vessel entangled in fishing net in the Sea of Japan, four kilometers off Taki, Shimane Prefecture, early Thursday and informed police, they said.

Investigators arrested 13 men in Taki, as well as a Japanese-speaking man aboard the vessel, on suspicion of violating the Immigration Control and Refugee Recognition Act, police said. The 13 were apparently crew members and had either Indonesian or Philippine passports, they said.

A 46-year-old Indonesian man who claimed to be the captain was quoted as saying the ship left Guangzhou in the Chinese southeastern province of Guangdong on April 19 with 13 crew members and 81 passengers, including six women, they said.

The man told investigators the freighter was caught in net Wednesday and sent about 30 passengers, including the women, to shore by a small boat early Thursday morning, police said.

A 22-year-old detained passenger reportedly said he was bound for Tokyo and paid 60,000 yuan (about 750,000

yen) as a guarantee for smuggling into Japan and was to pay another 110,000 yuan (about 1.38 million yen) if the attempt succeeded.

The Maritime Safety Agency will take the freighter to port for investigation, they said.

According to the Justice Ministry, some 2,300 foreigners illegally entered Japan in 1989 and 1990, and about 1,660 in 1991. The figure stood at 3,460 in 1992 and 5,000 in 1993, with the numbers from China and Vietnam increasing recently, officials said.

Advertising Agency Plans Joint Venture in PRC

*OW1205073494 Tokyo KYODO in English 0703 GMT
12 May 94*

[Text] Tokyo, May 12 KYODO—Dentsu Inc. said Thursday [12 May] it will establish an advertisement company in China jointly with two local firms.

The new firm, called Beijing Dentsu Advertising Co., will be capitalized at 2 million dollars.

Dentsu will hold a 51 percent equity share, while the rest will be held by China International Advertising Corp. and Da Cheng Advertising Ltd.

The Chinese advertising market reached roughly 200 billion yen in 1993 in turnover. Dentsu estimates the market will grow 10 to 20 percent annually.

The Japanese advertising agency entered China in 1986 under a joint venture arrangement with Young and Rubicam Inc. of the United States. Dentsu also has branch offices in Beijing and Shanghai.

Hata Says Collective Security Unconstitutional

*OW1205063894 Tokyo KYODO in English 0627 GMT
12 May 94*

[Text] Tokyo, May 12 KYODO—Prime Minister Tsutomu Hata said Thursday [12 May] Japan's Constitution prohibits the country's involvement in collective security, brushing aside concerns that his government may move toward active military actions overseas. Hata said at a plenary session of the House of Representatives, "I think collective security is beyond the boundary of the Constitution, and it is in practice not permitted."

"I have no intention to change" the conventional interpretation of the Constitution by the postwar Japanese Government on the issue, he said. He was responding to a query by Yohei Kono, president of the Liberal Democratic Party, the No. 1 opposition party.

Hata's remarks were apparently designed to dodge criticism and ease apprehension among opposition lawmakers that his cabinet is moving toward more active involvement by Japan's Self-Defense Forces in international conflicts.

Although Japan, as a sovereign nation, has rights for collective security in terms of international law, Hata argued the war-denouncing Constitution only grants Japan the "minimum necessary" rights for self-defense.

Hata also displayed a cautious stance toward the proposed legislation to deal with international crises. The issue requires a "highly political judgment" and "should be considered cautiously," he said.

The statement is an apparent effort to distance himself from some key cabinet members, including Foreign Minister Koji Kakizawa, who recently called for early steps toward legislation for dealing with international emergencies, such as the crisis over North Korea's suspected nuclear arms program.

Hata noted the importance of diplomatic efforts to solve the North Korea nuclear issue, while adding Japan should cooperate with any UN Security Council actions "within the framework of the Constitution."

On the question of alleged financial impropriety by his predecessor Morihiro Hosokawa, Hata tried to avoid any commitment to further action.

Calling it Hosokawa's "private problems," Hata suggested he is reluctant to consent to opposition calls for the former premier's Diet testimony over corruption charges that toppled him from office last month.

Hata also tried to heal the emotional wounds caused by former Justice Minister Shigeto Nagano's recent remarks over Japan's role in World War II. He said the outcry by Japan's Asian neighbors over the remarks "renewed his acknowledgement that Japan's aggressive actions and colonial rule (during the war) inflicted unbearable pain and sorrow on some Asian people."

Nagano, who said the so-called Nanjing massacre was a "fabrication" and denied Japan waged an aggressive war on Asian nations, resigned last Saturday amid a diplomatic controversy over his remarks. Hata said he handled the problem without delay, and has sought and obtained "understanding" from infuriated Asian countries.

In an interview published May 4 in the mass-circulation daily MAINICHI SHIMBUN, Nagano said, "the Nanjing incident was a fabrication." "I think it is wrong to define the war as a war of aggression (by Japan)...still, I doubt the Greater East Asia War, as it was called in Japan, was aimed at aggression."

Nagano, 71, a former chief of staff of the Ground Self-Defense Force, resigned Saturday after serving for only 10 days as justice minister. He was succeeded by Hiroshi Nakai.

State Fails To Meet Deadline on Textbook Ruling
OW1205134494 Tokyo KYODO in English 1247 GMT
12 May 94

[Text] Tokyo, May 12 KYODO—A high court ruling that government screening of some history school textbooks describing Japan's wartime atrocities has become irrevocable following the state's failure to appeal to the Supreme Court by the Tuesday [10 May] deadline, plaintiffs in the case said Thursday.

The Tokyo High Court on Oct. 20, 1993, ordered the government to pay 300,000 yen in compensation to Saburo Ienaga, 80, a noted historian and professor emeritus of Tokyo University of Education, the predecessor of Tsukuba University. Ienaga claimed the Education Ministry had illegally ordered him to change eight descriptions in a high school textbook on Japanese history he had written, and the high court accepted his complaint on three of the eight points.

One point was an account of the 1937 Nanjing massacre, which the judge said reviewers were wrong to change and that the account was "the prevailing view in the academic community" at the time the book was screened.

Another point, which had been accepted by a lower court, was the deletion of a passage saying the Imperial Government of the 1860's broke a promise to halve a tax on rice farmers.

Ienaga and his lawyers met reporters and said the illegality of textbook screenings has been fixed for the first time. The lawsuit was the third filed by Ienaga in his nearly 30-year legal battle against textbook screening.

According to precedents, the government is thought to have been able to appeal until Tuesday in a legal procedure called an incidental appeal, the lawyers said. The Education Ministry, however, said it had interpreted this differently and it is still able to appeal.

Ienaga has appealed to the Supreme Court, saying the ministry's screening system violates a ban on censorship contained in the Constitution.

Election Under Present System 'Possibility'

OW1205085894 Tokyo KYODO in English 0827 GMT
12 May 94

[Text] Tokyo, May 12 KYODO—The chairman of the Japan Chamber of Commerce and Industry (JCCI) said Thursday the next general election for the House of Representatives may have to be held under the existing electoral system based on multiseat constituencies.

Kosaku Inaba told reporters that an election under the current system is a possibility, although it should preferably be held after the introduction of a new system combining single-seat constituencies and proportional representation.

Top leaders of other major Japanese business organizations, including the Federation of Economic Organizations (Keidanren), have said the lower house should be dissolved for a general election only after a new electoral system is introduced.

Takemura Backs Call for Election

OW1205055894 Tokyo KYODO in English 6546 GMT
12 May 94

[Text] Tokyo, May 12 KYODO—New Party Sakigake [Harbinger] leader Masayoshi Takemura on Thursday [12 May] backed a call from the Social Democratic Party (SDP) for the next general election to be held under the current multiseat constituency system, Sakigake officials said.

"It is a reasonable idea," Takemura was quoted as saying of the proposal in a meeting with SDP chairman Tomiichi Murayama.

Both Sakigake and the SDP quit the ruling coalition last month, leaving the cabinet of Prime Minister Tsutomu Hata to be a minority government. Sakigake has offered cooperation for the Hata cabinet without occupying any post in it, while the SDP has declared it is an opposition party.

Murayama urged Hata on Wednesday to dissolve the House of Representatives and call a snap general election under the current election system. Murayama told the Sakigake leader that the premier's authority to dissolve the lower house should not be restricted just because the Diet has not yet passed a bill for redistributing multiple-seat constituencies into single-seat electoral districts, the officials said.

The Diet in January passed the new electoral system revision bill to replace the multiseat system with a mix of 300 single seats and 200 seats under proportional representation. But a separate bill has to be passed to reorganize the single-seat constituencies before an election can be held under the new system.

The meeting between Takemura and Murayama took place in the SDP headquarters. They also met Wednesday at the Sakigake headquarters.

The two leaders also agreed to initiate talks aimed at reconciling their policy and ideological differences as a prerequisite for cementing their solidarity and parliamentary tactical collaboration, the officials said.

One of the key differences is over the Japan-U.S. Security Treaty, opposed by some SDP members but supported by Sakigake, which was set up by a breakaway group of Liberal Democratic Party (LDP) legislators.

Hata Proposes Holding Opposition Leaders Summit

*OW1205045494 Tokyo KYODO in English 0430 GMT
12 May 94*

[Text] Tokyo, May 12 KYODO—Prime Minister Tsutomu Hata proposed Thursday [12 May] holding summit talks with leaders of the country's two largest political parties, the Liberal Democratic Party (LDP) and the Social Democratic Party (SDP), which are both in the opposition camp, government officials said.

Hata, who heads a minority government, hopes to seek cooperation from the opposition in an early passage of the already overdue fiscal 1994 budget and other Diet business, the officials said.

Chief Cabinet Secretary Hiroshi Kumagai conveyed Hata's proposal for talks with LDP President Yohei Kono during a telephone conversation with LDP secretary general Yoshiro Mori.

Kumagai also made the similar request during a meeting with SDP Secretary General Wataru Kubo. Hata hopes to hold the talks by early next week, they said.

Kono Appeals for Hata Meeting, SDPJ Meeting

*OW1205123794 Tokyo KYODO in English 1205 GMT
12 May 94*

[Text] Tokyo, May 12 KYODO—Yohei Kono, president of the No. 1 opposition Liberal Democratic Party, appealed to Prime Minister Tsutomu Hata on Thursday [12 May] to agree to a meeting with him next Tuesday.

However, Kono said he has not yet finalized possible topics for discussion with the premier. "I will consider what the contents of the meeting should be," he said.

Hata, in his first policy speech to the House of Representatives on Tuesday, appealed to opposition parties to cooperate to help his fragile minority government steer Japan through difficult times on both domestic and international fronts.

But Kono, in his parliamentary interpellation on Thursday, questioned the authority of the minority government and expressed readiness to take over power from the Hata administration.

Kono has also arranged a meeting with Tomiichi Murayama, chairman of the Social Democratic Party [of Japan, SDPJ], on Monday, a day before his planned talks with Prime Minister Hata, according to other LDP sources.

The Kono-Murayama meeting marks the first between an LDP president and an SDP chairman since the LDP was ousted from power last summer, party officials said.

Meanwhile, Chief Cabinet Secretary Hiroshi Kumagai told reporters both Kono and Murayama have agreed to

hold separate meetings next Tuesday with Hata, who is also leader of Shinseitō (Japan Renewal Party).

Kumagai said Hata may also seek similar dialogue with leaders of other parties, including new party Sakigake [Harbinger].

Takemura Predicts 'Change in Power' After Budget

*OW1205134594 Tokyo KYODO in English 1308 GMT
12 May 94*

[Text] Tokyo, May 12 KYODO—The chief of former coalition bloc new party Sakigake (Harbinger) said Thursday [12 May] there would be a change of power after enactment of the fiscal 1994 state budget, indicating the administration of Prime Minister Tsutomu Hata will be short-lived. Masayoshi Takemura said Hata's minority administration is not in "good shape" and defined it as a government that takes charge of "certain things" for a "certain period."

Takemura made the remarks in a campaign speech in front of the Shimbashi Railway Station in central Tokyo. He was joined by eight of the party's 15 House of Representatives lawmakers who also gave speeches.

Sakigake, previously a small body in the seven-party coalition of former Prime Minister Morihiro Hosokawa, left the coalition last month during the process of picking Hata as Hosokawa's successor, complaining of the coalition's way of selecting a new leader. Departure of the leading coalition Social Democratic Party (SDP) [of Japan, SDPJ] put the Hata administration on a minority power base.

Political analysts predicted that the Hata cabinet will be forced to resign en masse or call a snap election of the powerful lower house as early as June after the Diet legislates the state budget for the current fiscal year that began April 1.

Oil Firms Announce Wholesale Price Increase

*OW1205082694 Tokyo KYODO in English 0741 GMT
12 May 94*

[Text] Tokyo, May 12 KYODO—Idemitsu Kosan Co. and seven other Japanese oil companies announced Thursday [12 May] they will raise their wholesale prices of gasoline, kerosene and gas oil by 0.80 or 0.90 yen per liter for deliveries after May 16. The companies blamed the scheduled price hikes on a rise in crude oil prices, which they said more than offset the appreciation of the yen against major foreign currencies last month.

Cosmo Oil Co. and three other companies said they will raise their prices by 0.80 yen, while Idemitsu and three other companies said they will hike theirs by 0.90 yen.

All companies, except Mitsubishi Oil Co., will implement the raises for deliveries beginning May 16. Mitsubishi will do so on June 1. Nippon Oil Co. announced Wednesday it will implement similar raises on May 20.

North Korea

ROK Criticized for 'Chemical Weapons' Production

SK1205054994 Pyongyang KCNA in English 0502
GMT 12 May 94

[“NODONG SINMUN Slams S. Korean Puppets' Development of Chemical Weapons”—KCNA headline]

[Text] Pyongyang, May 12 (KCNA)—NODONG SINMUN today comments on the South Korean puppets' development of chemical weapons.

The news analyst cites data on the production of chemical weapons openly promoted in South Korea after the “civilian”-veiled warmaniacs took office.

He says:

Last year the Kim Yong-sam traitorous clique made public an official “decision of the government” to possess chemical weapons, stressing the need to build up its own strong biochemical warfare capacity.

The decision of the “civilian”-veiled warmaniacs to overtly possess chemical weapons, mass-destruction weapons which are banned worldwide, shows their war frenzy has gone so far as to ignore international law.

They are developing and stockpiling large quantities of chemical weapons such as nerve, corrosive, toxic, choking, disabling and irritant agents.

Army corps and divisions of the South Korean puppet army have chemical warfare units, which continuously hold chemical shell firing drills. 15 chemical attack units are deployed along the front. [sentence as received]

The production of chemical weapons and preparations for chemical warfare which the South Korean puppets are feverishly hastening, taking advantage of the U.S. imperialists' chemical warfare preparations show the Kim Yong-sam traitorous clique is a group of rare warmaniacs in the world.

The South Korean puppets are desperately trying to plunge fellow countrymen into the scourge of nuclear weapons and toxic gas. They will inevitably be denounced and spurned by the nation and the world.

KCF Warns ROK Against Nuclear Development

SK1205053294 Pyongyang KCNA in English 0432
GMT 12 May 94

[“KCF Slams S. Korean Puppets' Nuclear Development”—KCNA headline]

[Text] Pyongyang, May 12 (KCNA)—“The South Korean puppets would face a stern judgement by history, if they persist in the development of nuclear weapons, going against the aspirations of the times and the nation, warned Kang Yong-sop, chairman of the C.C. [Central Committee], the Korean Christians Federation [KCF].

In a statement on Wednesday he denounced the despicable criminal acts of the South Korean puppet clique in stepping up nuclear development on a full scale while spreading a rumour of “nuclear suspicion” against the North.

The statement says:

The Kim Yong-sam clique's groundless slanders on us over the fictitious “nuclear problem” are nothing but a cunning and brazen trick to divert elsewhere the public attention at home and abroad and step up the development of nuclear arms behind the scene.

This is well illustrated by the fact that the traitor Kim Yong-sam told a “press conference” some time ago that “the North has no nukes”, thus admitting of his own accord that his clique's row hitherto over the “nuclear development” of the North was a plot to do harm to the fellow countrymen and conceal the truth behind their own development of nuclear arms.

It is because of the partiality of the International Atomic Energy Agency that the South Korean puppets' nuclear arms development has long been out of the world people's concern, the statement notes, adding: The agency must draw a serious lesson from such grave consequences of the double standard which it has applied under the baton of the United States, losing independence, and restore impartiality, though belatedly.

The South Korean puppets must ponder over catastrophic consequences to be entailed by their criminal nuclear arms development, eliminate at once the heavy water reactor and multipurpose research reactor which have been confirmed to be reactors for developing nuclear weapons, stop the development of a fast breeder reactor and nuclear arms development, the statement stresses.

Ministry: ROK Kidnaps Loggers From Russia

SK1205105094 Pyongyang KCNA in English 1041
GMT 12 May 94

[“S. Korean Puppets' Intrigue To Kidnap DPRK Lumbermen Denounced”—KCNA headline]

[Text] Pyongyang, May 12 (KCNA)—If the South Korean rulers continue attempting to kidnap our lumbermen working in the far east of Russia, they will drink a bitter cup, warned the Ministry of Forestry of the Democratic People's Republic of Korea in a statement today.

The statement reads:

On April 9, through a statement of the spokesman of the Ministry of Forestry, we made clear our principled stand toward the criminal intrigues of the South Korean rulers to kidnap our timber fellers working in the far east of Russia. The South Korean puppets, however, continue behaving arrogantly, ignoring our logical warning.

According to recent reports from South Korea, the puppets, in an effort to make the kidnapping plot more organised, impudently "adopted" what they call "principle of allowing exile" at the "Unification and Security Policy Coordinating meeting" on April 15 and formed even a "working measure committee" on May 4 and are blaring that they will work out "comprehensive measures" for kidnapping our timber fellers.

On the other hand, they have sent agents of the "Security Planning Board" and riff-raffs to various areas of the far east of Russia under various names for an operation to allure and kidnap our workers.

This indicates that the kidnapping intrigues of the South Korean puppets have already entered a practical stage and the North-South confrontation aggravated by them is being expanded to the soil of Russia.

The Ministry of Forestry of the Democratic People's Republic of Korea bitterly denounces the intrigues of the South Korean puppets which are getting more desperate, branding them as an open challenge to our Republic, an anti-humanitarian act encroaching upon the dignity of our forestry workers and an act intended to undermine the traditional friendship between the Korean and Russian peoples.

These intrigues of the South Korean puppets have become a serious matter related to the prospect of the North-South relations and the dignity of the nation.

If they persist in their operation to kidnap our dignified workers by misrepresenting facts, in defiance of our reasonable warning, they will drink a bitter cup.

Our lumbermen working in the far east of Russia are now getting very angry at their kidnapping operation. They are resolved to deal a hard blow at the South Korean puppets who are foolish enough to persistently try to make them defect to South Korea.

If a mishap occurs to one of them, our lumbermen will make a decisive reprisal on the South Korean puppets. Their resolution is an entirely legitimate one for defending their dignity and honor.

If the South Korean puppets continue attempting to kidnap fellow countrymen and perpetrating provocations causing national shame in an alien land in disregard of our patience, they will be held wholly responsible for all the consequences arising therefrom and the nation and history will pass a stern judgement on them.

The South Korean puppets' plot to kidnap our lumbermen in the far east is an international crime to impair

the traditional friendship between the Korean and Russian peoples and create unrest in the territories of Russia.

Therefore, we consider that the Russian authorities must not allow the sinister acts of the South Korean puppets in the far east.

We set store by the traditional friendship between the peoples of Korea and Russia and are actively striving to strengthen and develop it, and believe that the Russian authorities will ponder over our principled stand.

Cooperation in Repatriation of POW's Urged

*SK1205105694 Pyongyang KCNA in English 1029
GMT 12 May 94*

[Text] Pyongyang, May 12 (KCNA)—Kim In-so's eldest daughter Kim Hwa-sim and Ham Se-hwan's elder sister Ham Suk-nyo sent letters to the national Red Cross organisations of different countries, calling for their active cooperation in the repatriation of Kim In-so and Ham Se-hwan who are now detained in South Korea after being forced to a long prison life for refusing ideological conversion.

In the letters they earnestly asked the national Red Cross organisations that defend human rights and value Red Cross humanitarianism to pay attention to the miserable lot of their families and launch an active international campaign for an early repatriation of Kim In-so and Ham Se-hwan.

Kim Hwa-sim said:

"I feel my heart rending when I think of my father who spent more than 30 years in prison and is suffering in a land away from home, not allowed to return home in his declining years.

"The South Korean Red Cross unreasonably refuses to send back my father. This is a very wrong behavior ignoring international law and Red Cross humanitarianism.

"My father's repatriation is not only his wish but also the unanimous demand of the entire fellow countrymen and human conscience."

Ham Suk-nyo said: "It is two years since I heard that my brother whom I had thought dead during the Korean war was alive, but my ardent wish to see him in my lifetime has not yet been realised."

She called on the national Red Cross organisations to deeply understand the anxious wish of an octogenarian to see her younger brother whom she had raised on her back.

ROK Family Interviewed After Defection

*SK1205152694 Pyongyang KCNA in English 1516
GMT 12 May 94*

[Text] Pyongyang, May 12 (KCNA)—Kim Chae-su who had been the manager of the East Fisheries Company No. 100 of South Korea before defecting to the North through a third country and his family which came with him were interviewed here today.

Hailing from Chunchon, South Korean Kangwon Province, he, 34, served the puppet Army and then worked as a ground man of an airline company and a crime-prevention team member of a police box.

He has in South Korea his father running a rice mill, his stepmother and two half brothers and two half sisters.

He said he came to the North because he hated the U.S. imperialist aggressors and the South Korean rulers courting their favor.

"When I was six years old, GI's stormed into my house and violated my mother. Later, my mother suffered from insomnia and left home and her whereabouts is still unknown," he said, and continued:

"I have keenly felt that the Yankees are not only the enemy who brought tragedy to our family but also the enemy of the nation who divided our country into two and imposed sorrow and sufferings upon the whole nation."

He said he began to sympathize with the independent politics of the North, and he felt his deep-seated grudge was wreaked by General Kim Chong-il when he drove Americans into a tight corner through DPRK-USA talks, standing in solo confrontation with the United States to solve the nuclear issue on the Korean peninsula. "I could not repress an urge to rush at a run to the general and make a deep bow to him in gratitude," he added.

He said he decided to carry into practice his long-conceived plan to go over to the North and, at last, came over to the embrace of the great President Kim Il-song and the dear leader Kim Chong-il, together with his family.

Pointing out that anti-American sentiments are growing among South Korean puppet Airforce units, he said if the United States and the traitor Kim Yong-sam unleash a war against the North, the "ROK Army" would turn their guns at the U.S. troops and their stooges, not fighting the fellow countrymen in the North.

The wife of Kim Chae-su, Mun Chong-cha, 34, referring to the educational conditions of South Korea, said that in the South there must be a colossal amount of money if one want his child to receive a higher education and acquire a special knowledge. "One must have 50,000 dollars to get his child through schools up to the high school," she added.

She said she saw that everything was wonderful in the North, but particularly grateful was that the state was bringing up children and enabling them to bring their talent into full play. She said she felt like giving birth even to ten children in such a society good to live in.

Touching upon the public sentiments toward the present "civilian" regime, Kim Chae-su said it is the present-day feeling of the people in the South that nothing can be expected of Kim Yong-sam and he must be removed.

He said:

"Now, there are various queer nicknames for Kim Yong-sam, such as a fascist maniac, traitor and illiterate, the like of which no other ruler in the world had ever been called by. They are nicknames ridiculing him about his treacheries, perfidy, falsity and deception.

"There is nobody in the South who feels sympathy with Kim Yong-sam. Everybody says he must be killed. The public sentiments of the South being such, the day is not far off when he will meet his doom."

Kim Chae-su's son, Kim Un-chol, 11, said he practised Taekwon-do in the South to protect himself from rogues but, now, in the North, he would develop his Taekwon-do skill with redoubled vigor so as to fly high the flag of the DPRK in the world.

Kim Chae-su said:

"The history of our nation and the realities of the North and the South show that the destiny of a country and nation entirely depends on its leader.

"Now the North is displaying its might as a big power worldwide and the country is prospering and all the people are living in happiness. It owes this to the great President Kim Il-song and the dear leader Kim Chong-il."

ROK-U.S. Joint Military Exercises Reported

*SK1205050794 Pyongyang KCNA in English 0426
GMT 12 May 94*

[Text] Pyongyang, May 12 (KCNA)—The South Korean puppet Marine units and the U.S. Marines staged a "joint airlifting and dropping operation" and a "joint field training" on the East coast of Korea, according to a Radio No. 1 report from Seoul Tuesday.

These provocative military exercises codenamed "increase of the joint operation capacity" were a real war gamble of the U.S. imperialists and the puppet clique to drop Marines by transport planes and helicopters on supposed "enemy-controlled areas" to blast dam, bridge and other major setups and obstacles there.

The puppet clique, instigated by the U.S. imperialists, is now staging large-scale naval manoeuvres in the West Sea of Korea, with the mobilization of various types of battleships.

Thus, the coastal areas of the Korean peninsula are turning into a training place for a war against the northern half of Korea.

Article Discusses U.S. Forces 'Arms Buildup'

*SK1205103094 Pyongyang KCNA in English 1025
GMT 12 May 94*

["Arms Buildup Aimed at Killing Many Birds With One Stone"—KCNA headline]

[Text] Pyongyang, May 12 (KCNA)—The United States is seeking to kill many birds with one stone by beefing up its Armed Forces in and around South Korea, says NODONG SINMUN in a by-lined article today.

The paper says:

First of all, the United States intends to stifle Korean socialism with strength by reinforcing its Armed Forces in South Korea. It is the invariable policy of the U.S. to aggravate military confrontation and tensions on the Korean peninsula, threaten the DPRK with strength and, furthermore, stifle it.

The U.S. bellicose elements plan to send military strength 600,000 strong, over 200 combatant ships, more than 1,600 warplanes and other aggression forces which are far greater than those hurled into the Persian Gulf war to the Korean front in 80 days in "case of emergency" on the Korean peninsula.

Another purpose of the United States in its arms buildup in and around South Korea is to attain the goal of its Asian-Pacific policy.

The keynote of the U.S. Asian-Pacific strategy at present is to curb the expansion of the sphere of influence of the Western countries in this area by relying upon its military predominance and to establish U.S.-orchestrated dominationist order. In this, it attaches importance especially to Northeast Asia and intends to keep powerful frontline combat power in and around South Korea and strengthen its domination and control over the Asia-Pacific region by using it.

Another purpose of the U.S. war-thirsty elements in stepping up arms buildup in South Korea is to turn it into its arms market and bring fabulous profits to the U.S. military monopolies. The U.S. ruling circles intend to make South Korea, its colony and military base, open its door wider as an arms market and drive out the puppets as a shock brigade in invading the North.

The United States must stop the reckless arms buildup going against the trend of the times toward disarmament and detente.

Cilreco Supports Foreign Ministry Statement

*SK1205103694 Pyongyang KCNA in English 1009
GMT 12 May 94*

["Important Peace Overture for Removing Danger of War"—KCNA headline]

[Text] Pyongyang, May 12 (KCNA)—The International Liaison Committee for Reunification and Peace in Korea (Cilreco) expressed support for the statement released by the Foreign Ministry of the Democratic People's Republic of Korea on April 28 proposing to the United States negotiations for a new peace arrangement.

In a statement May 2 Cilreco hailed and fully supported the important peace overture made by the DPRK to defuse confrontation and tension on the Korean peninsula and eradicate the danger of a war.

It urged the United States to affirmatively respond to the DPRK's important peace overture without delay and called on the regional and national committees of Cilreco, organizations for disarmament and peace and anti-war, anti-nuke peaceloving forces across the world to launch an extensive movement in support of the overture.

The Dar es Salaam Provincial Committee of the Tanzanian Youth Union in a statement May 1 said the United States has persistently rendered the situation of the Korean peninsula strained, violated the Korean Armistice Agreement and paralyzed the armistice supervisory machine for nearly half a century.

It demanded that the United States immediately put into effect the statement of the DPRK Foreign Ministry, withdraw from South Korea at once, taking along more than 1,000 pieces of nuclear weapons and Patriot missiles, stop joint military exercises and come out to the talks with the DPRK.

The Mozambican Committee for Friendship with the People of the Democratic People's Republic of Korea released a statement on May 3.

Noting that it has become an urgent matter to take practical steps for a durable peace on the Korean peninsula today when the Korean Armistice Agreement has been paralyzed, the statement strongly demanded that the United States accept the proposal of the DPRK Government unconditionally.

Foreign Public Figures Denounce U.S. 'Plot'

*SK1205102394 Pyongyang KCNA in English 1004
GMT 12 May 94*

[Text] Pyongyang, May 12 (KCNA)—Foreign public figures have denounced the United States for threatening the Democratic People's Republic of Korea with regard to "the nuclear issue."

Amaral Matos, first executive secretary of the Mozambican Committee for Friendship with the People of the

Democratic People's Republic of Korea, released a statement on May 2 charging that the United States has reinforced aggression forces, constantly bringing mass destruction weapons into South Korea.

Stating that a durable peace cannot be achieved in the world before the United States, a country stained with blood, is erased from the globe, he said: "The world must unite with each other and throttle and dismember the United States. [no closing quotation mark as received]"

Shandrajeet Yadav, member of Parliament of India, co-chairman of the All India Peace and Solidarity Organization and vice-chairman of the Afro-Asian People's Solidarity Organization, told KCNA on April 26 that the United States has escalated the plot to isolate and stifle the DPRK, crying for "special inspection" and "sanctions" under the unreasonable pretext of "nuclear suspicion."

Saying that to safeguard peace in Korea is a primary matter in defending peace in Asia and the rest of the world, he strongly urged the United States to stop arms buildup in South Korea and promptly withdraw its troops and weapons of all kinds from South Korea.

Don Borrie, chairman of the New Zealand-Democratic People's Republic of Korea Society, in a statement April 22 stressed that the New Zealand Government must not get involved in the swindles of the United States and the South Korean authorities but pursue an independent policy and maintain an anti-nuke stand.

Spokesman Denounces U.S. 'Double Standard'

SK1205055294 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 11 May 94

[Text] A spokesman for the DPRK Foreign Ministry answered a question put by KCNA reporter on 11 May on the U.S. efforts to force the Arab countries to lift their economic sanctions against Israel. His answers are as follows:

Making frequent visits to Mideast countries in late April and early May, U.S. Secretary of State Warren Christopher put pressure on Arab countries to withdraw their economic sanctions against Israel.

However, a number of Arab countries are expressing their opposition and discontent [pulman] by maintaining the position of not withdrawing sanctions until the issues concerning the Mideast are comprehensively resolved.

We cannot but wonder about the United States' actions of trying to lift sanctions against Israel. It is no secret that Israel possesses nuclear weapons. The United States is trying to get economic sanctions on Israel, which threatens peace in the Middle East with nuclear weapons, lifted. However, the United States is blaring that sanctions will be taken against our country which has no nuclear weapons in actuality. This is a reversal of

logic and an undisguised application of a double standard in international relations.

This contradictory act [mosunjogin haengwi] of the United States makes it plain that the nuclear issue over which it is raising a hue and cry is a fictitious invention for the sinister political aim of isolating and crushing [korip apsal haryonun] our republic.

The United States must not apply a double standard to the solution of international issues including the nuclear issue.

The world people should approach the unjust act of the United States which is trying to impose its unilateral assertion on others, ignoring the stand of the parties concerned, and styling itself as international policemen with high vigilance.

Circulation of 3 May Document at UN Reported

SK1205062694 Pyongyang KCNA in English 0423 GMT 12 May 94

[Text] Pyongyang, May 12 (KCNA)—The May 3 answer of a DPRK Foreign Ministry spokesman concerning the replacement of fuel rods of the 5-megawatt experimental nuclear power station was distributed on May 5 as an official document of the UN Security Council: s/1994/540.

Japan Criticized for Remarks, Nuclear Armament

SK1205052694 Pyongyang KCNA in English 0440 GMT 12 May 94

["Who Is the Real Challenger"—KCNA headline]

[Text] Pyongyang, May 12 (KCNA)—The Japanese Government authorities recently let out a string of ill-boding remarks, grossly getting on our nerves.

Prime Minister Hata, referring to the "suspected nuclear development" of the DPRK in his "policy speech" at the Diet on Tuesday, said "it is a challenge" and it goes against the "ideal" of Japan heading for "the final elimination of nuclear weapons."

Earlier, on Monday, Director General of the Defence Agency Kanda said in his inaugural "address" that "suspected nuclear development and missile development of North Korea are a challenge to the international community as a whole."

The very one who flung down the gauntlet against the entire international community is none other than the Japanese reactionaries who are gravely threatening peace and security in Asia and the rest of the world by speeding up nuclear arming and conversion of Japan into a military power.

It is Japan that has come into possession of nuclear bomb manufacturing elements including electronic

destructive devices, and their technologies and started even the operation of "Monju", a fast breeder reactor, some time ago.

It is also Japan that caused deep apprehensions in the international community when it was learned recently that she had stockpiled 70 kgs of plutonium in the plutonium fuel plant beside the 26 tons stockpiled earlier.

Nevertheless, the Japanese Government authorities are raising a hue and cry over the "nuclear problem" of the DPRK, describing it as a "challenge". This is, in the final analysis, nothing but a crafty ruse to justify their own nuclear armament and moves to turn Japan into a military power.

Suppression of Chongnyon Said Denounced in Japan

*SK1205103794 Pyongyang KCNA in English 1012
GMT 12 May 94*

[Text] Tokyo, May 10 [date as received] (KNS-KCNA)—Civic organizations of Japan denounced the unjustifiable search of and outrage against the Osaka organization of the General Association of Korean Residents in Japan (Chongnyon) by the Japanese police.

On April 28, members of the Minamiosaka solidarity society for peace and human rights comprising workers in Minamiosaka area conducted street propaganda in front of four government offices and distributed to citizens copies of a literature saying that the recent search can never be tolerated.

They said the search by the Osaka prefectural police was not an ordinary one but a "preliminary search" aimed at "freezing the property" of Koreans in Japan and "preserving public peace" in "case of emergency."

The chairman of the Kyoto prefectural headquarters of the Japan Social-Democratic Party, Yukio Takemura, said in his recent statement that the search was a repressive act against Chongnyon perpetrated under the cloak of "investigation." He reaffirmed the resolution to struggle in solidarity with Koreans in Japan to defend their rights.

Russian Koreans on Relocation of Sakhalin Koreans

*SK1205052994 Pyongyang KCNA in English 0435
GMT 12 May 94*

["Korean Residents in Russia Protest Forcible Migration"—KCNA headline]

[Text] Pyongyang, May 12 (KCNA)—An organization of Korean nationals in Russia sent a protest message respectively to the Japanese and South Korean Consulates General in Russia denouncing the South Korean traitorous clique and the Japanese reactionaries for scheming to drag Korean residents in Sakhalin into South Korea.

The message says the South Korean puppet authorities are hell bent on the deceptive propaganda to bring over fellow countrymen in Sakhalin, acting in the guise of "humanitarianism", in an insidious attempt to lay an anti-DPRK "foundation" in the Far Eastern region by winning them over and foment discord and consciousness of confrontation within the nation and thereby perpetuate division of the country and block the compatriots from advancing toward national reunification.

The South Korean authorities must renounce at once their anti-national, anti-reunification scheme to settle the issue of Korean residents in Sakhalin and other regions of the former Soviet Union with some money through conspiracy and tieup with the Japanese Government, and the Japanese authorities must no longer do acts obstructive to an independent reunification of Korea, it demands.

Minister Meets Visiting Iranian Delegation

*SK1205050994 Pyongyang KCNA in English 0422
GMT 12 May 94*

[Text] Pyongyang, May 12 (KCNA)—Kim Yong-nam, vice-premier and minister of Foreign Affairs, met and had friendly talk Wednesday with a delegation of the Iran-Korea parliamentary friendship group led by M. P. Khodekaram Jalali, head of the Agricultural Commission of the Islamic Consultative Assembly and chairman of the group.

Reception Hosted for Zimbabwean Delegation

*SK1205060594 Pyongyang KCNA in English 0445
GMT 12 May 94*

[Text] Pyongyang, May 12 (KCNA)—The Ministry of People's Armed Forces hosted a reception at the Mansudae Assembly Hall Wednesday in honor of the visiting government delegation of the Republic of Zimbabwe led by Minister of Home Affairs Dumiso Dabengwa.

Speaking at the reception, chief of the General Staff of the Korean People's Army Choe Kwang said that under the leadership of President Robert G. Mugabe the Zimbabwean people are now achieving great successes in the efforts to promote the national unity, develop the economy and build socialism suited to the specific conditions of Zimbabwe.

Sincerely wishing the Zimbabwean people greater success in the work for the independent development and prosperity of the country in the future, he stressed: "We will in the future, too, make all efforts to strengthen the bonds of friendship, cooperation and solidarity with the Zimbabwean people."

Head of the delegation Dumiso Dabengwa in his speech said that he knows well that the government and people of Korea are always standing on the side of the Zimbabwean people under the wise and outstanding guidance of the great leader Comrade Kim Il-song.

"We have been able to see at first hand the might of the Korean people united with one ideology and idea during our current visit," he said, adding: "We are deeply moved by the achievements registered by the Korean people in building an independent national economy, unshaken by the worldwide economic fluctuation.

Reaffirming support to "10-point programme of the great unity of the whole nation for the reunification of the country" put forward by the great leader comrade President Kim Il-song, he stressed that Korea should be reunified peacefully on the principle of the national sovereignty according to this programme.

Anniversary of Diplomatic Ties With Nepal Marked

*SK1205054094 Pyongyang KCNA in English 0413
GMT 12 May 94*

[Text] Pyongyang, May 12 (KCNA)—A meeting was held here Wednesday under the cosponsorship of the Committee for Cultural Relations with Foreign Countries and the Korea-Nepal Friendship Association on the occasion of the 20th anniversary of the establishment of diplomatic relations between the Democratic People's Republic of Korea and the Kingdom of Nepal.

Present at the meeting were Chon Yon-ok, vice-chairwoman of the Committee for Cultural Relations with Foreign Countries and chairwoman of the Korea-Nepal Friendship Association, officials concerned and working people in the city.

A speech was made at the meeting.

Kim Il-song Sends Greetings to Ivorian Official

*SK1205105794 Pyongyang KCNA in English 1043
GMT 12 May 94*

[Text] Pyongyang, May 12 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, today sent a message of greetings to Henri Konan Bedie upon his election as president of the Central Committee of the Democratic Party of Cote d'Ivoire.

Comrade Kim Il-song wished him greater success in his responsible work for the strengthening and development of the party and for the prosperity of the Cote d'Ivoire people.

Kim Il-song Receives More Birthday Messages

*SK1205054294 Pyongyang KCNA in English 0417
GMT 12 May 94*

[Text] Pyongyang, May 12 (KCNA)—Congratulatory messages and letters came to the great leader President Kim Il-song from the participants in celebration meetings held on his birthday in Kathmandu, Nepal; Addis Abbaba, Ethiopia; San Jose, Costa Rica; Karachi, Pakistan; Dhaka, Bangladesh; and Oslo, Norway.

They say the history of the revolutionary activities of his excellency President Kim Il-song, a most outstanding leader of the present world, is a history of warm love for the Korean people and all the mankind.

They note that he has enjoyed a reputation as an [word indistinct] possessed of literary and military accomplishments, for many years he embarked as the outstanding leader and a true leader of the people on the road of revolution in his early years.

They express full support for "10-point programme of the Great Unity of the Whole Nation for the Reunification of the Country" put forward by President Kim Il-song and firm solidarity with the Korean people in the struggle for defanging the dignity and sovereignty of the nation.

The messages and letters wish President Kim Il-song good health and a long life.

Kim Chong-il Thanks Artists' Agitation Group

*SK1205060394 Pyongyang KCNA in English 0421
GMT 12 May 94*

[Text] Pyongyang, May 12 (KCNA)—The dear leader Comrade Kim Chong-il sent thanks to the artistes' agitation group for increased production under the Ministry of Culture and Art that had powerfully inspired party members and working people in different dominions of socialist economic construction.

The members of the group went to hundreds of industrial establishments and construction sites across the country to conduct agitation for increased production and better and faster construction on more than 1,000 occasions among workers and builders, contributing to the thorough implementation of the party's revolutionary economic strategy.

His thanks also went to the Korean Joint Venture Bank, the Pyongyang Cornstarch Factory and the Pyongyang General Daily Necessities Factory that had set examples in aiding the People's Army, to the officials of the Ministry of Marine Transport and the workers, technicians, and office employees of the West Pyongyang Bearing Factory, director of the political department of the lorry office of the Ministry of Public Security [name indistinct] and his wife Kim Kyong-son, laundryman Chang Ki-chol of the services section of the Koryo General Bureau of Services, Yi Mun-chol of the Traffic Control Corps of the Wonsan City, Kangwon Province, Security Department and his wife Yi Hyon-su, and Song Mi-ye and Yang Sun-ok of the Kyonghung store of the [word indistinct]-Chonmyong Joint Venture Company who had done good things for the society and collective.

Film Studios' Release of New Movies Reported

*SK1205103894 Pyongyang KCNA in English 1019
GMT 12 May 94*

[Text] Pyongyang, May 12 (KCNA)—Korean film studios have recently released many feature films of high ideological and artistic value.

The 17th and 18th parts of the multi-part feature film "The Nation and Destiny" recently released by the Korean film studio are showing at cinema houses throughout the country.

These parts of the film deal with the life of Ho Chong-suk who was a well-known woman political activist of Korea.

Born into a patriotic lawyer's family in Seoul, Kyonggi Province, she (the heroine of the film) joins in the communist movement as a girl. But she has to experience twists and turns for the absence of an illustrious leader.

The film gives a keen anatomy of the tragic situation of the early communist movement in the 1920s which was divided due to factional strife for leadership, and eloquently tells the truth that only under the guidance of a wise leader can a country lost to outside forces be retaken and the nation be saved as well.

Among the films released by the studio are "The General Clad in Red", the second part of "Japanese Invasion in 1592", a feature film about Kwak Chae-u of the aristocratic class origin, commander of the volunteers who organized volunteers with patriotic-minded average people, transcending the difference in caste, and valiantly fought the Japanese aggressors, and "Looks of a Party Member", a feature film showing a party cell secretary at a fertilizer factory.

The Korean February 8 film studio released a feature film "Political Commissar of the 8th Regiment" (two parts).

The film represents on an artistic canvas a historical occurrence in the mid-1970s out of the brilliant career of Comrade Kim Il, a staunch communist revolutionary fighter and prominent activist of the party and the state who remained unfailingly loyal to the party and the leader, to the country and people till the last moments of his life since he participated in the anti-Japanese revolutionary struggle under the guidance of the great leader President Kim Il-song.

It truthfully shows that loyal subjects are brought up in the bosom of a great leader and their lives are exalted in holding the leader in high esteem.

A feature film "The Daughter of Veterans" based on a story about a girl teacher who volunteers to be the daughter of a disabled veteran couple without anyone to rely on and looks after them with the utmost care, leaves deep impressions upon young men and women.

Women's Union Holds Pyongyang Meeting 9-10 May

*SK1205081694 Pyongyang Korean Central
Broadcasting Network in Korean 2300 GMT 11 May 94*

[Text] A national meeting of propaganda functionaries of the Korea Democratic Women's Union [KDWU] was held in Pyongyang on 9-10 May. Functionaries of the KDWU Central Committee, KDWU propaganda functionaries of complexes in provinces, municipalities, and counties, and model junior KDWU propaganda functionaries attended the meeting. Discussions made in the meeting are the KDWU propaganda functionaries' tasks to contribute to actively accelerating the implementation of the chuche socialist cause by firmly uniting around the dear leader Comrade Kim Chong-il.

Following a report by Kang Kwan-son, secretary of KDWU Central Committee, discussions were made at the meeting.

Reporters and debaters pointed out that the great leader Comrade Kim Il-song fully elucidated the programmatic tasks and plans so that all party members and working people could endlessly consummate the chuche revolutionary cause under the leadership of the dear comrade leader.

Stressing that the dear leader Comrade Kim Chong-il has victoriously led the revolution and construction with an extraordinary wisdom and outstanding leadership and, also, is the prominent man [wiin] who gained an immortal achievement that will shine forever in history, they said that today our party, people, and Army are safeguarding, adhering to, and glorifying the popular mass-centered socialism of our own style by upholding a slogan reading "The Whole Party, All People, and Entire Army Should Endlessly Consummate the Socialist Cause With Their Single-Hearted Unity."

They noted: Over the past years, KDWU organizations and propaganda functionaries have regarded it as the most important tasks in their ideological work to educate the union members so that they can uphold the party's leadership with their loyalty. They concretely proposed tasks to further strengthen the work.

The great leader Comrade Kim Il-song has taught: To adhere to the popular mass-centered socialism of our country and to brilliantly consummate the chuche revolutionary cause, the entire party and all people should properly uphold Comrade Kim Chong-il's leadership. Here lies the firm guarantee to inheriting and consummating the socialist cause.

The reporters and debaters said: KDWU organizations and propaganda functionaries at each level should strengthen ideological and indoctrination work so that the union members can absolutely admire and uphold our party based on their revolutionary faith and obligation. With various forms and methods, they should properly carry out the work of making the union members deeply grasp our party's greatness and immortal

achievement by mobilizing and utilizing all ideological and indoctrination work systems of the union.

They stressed that thoroughly establishing the party's leadership system is the lifeline of the union's ideological work, as well as the basic principle for its activity, and pointed out that a firm discipline in which the union members act as one under the leadership of the party, as well as a revolutionary ethos in which the union members unconditionally and endlessly implement the party's line and policy should be established within the union.

They also said: All propaganda functionaries should make the union members deeply grasp the superiority and invincibility of socialism of our own style and should strengthen the indoctrination work to have them cherish a firm faith that the chuche socialist cause is certain of victory as long as there is our party's leadership.

Saying that the union members' success in the ideological and indoctrination work depends on the role of propaganda functionaries, who are directly in charge of it, the reporters and debaters stressed: All propaganda functionaries and junior functionaries should strongly arm themselves with our party's revolutionary ideology, set an example in their work and life, and practically carry out the management of junior functionaries' days. As a result, they should responsibly and actively carry out the propaganda and agitation work by raising their political and practical levels.

A letter of pledge to Comrade Kim Chong-il, the dear leader of our party and people, was adopted at the meeting.

South Korea

IAEA Proposes Inspections to DPRK 'Again'

SK1005232694 Seoul KBS-1 Radio Network in Korean 2200 GMT 10 May 94

[By Vienna-based correspondent Cha Man-sun]

[Text] With the approaching deadline for submitting a report on the North Korean nuclear issue to the UN Security Council, the International Atomic Energy Agency [IAEA] again notified North Korea, as it did previously, that it will send an inspection team as soon as North Korea allows the sampling of spent fuel when nuclear fuel is replaced.

In a message sent to North Korea early this morning, the IAEA reminded North Korea that the deadline for submitting a report to the UN Security Council is approaching, and stated that even though the inspection on the replacement of fuel rods has been delayed considerably, it will send an inspection team around this weekend if North Korea accepts the IAEA proposal by this week.

The IAEA expects North Korea to show a positive response this week or early next week depending on the

result of the recent contacts with the United States. However, in case North Korea shows a negative response, including the replacement of nuclear fuel on its own, the IAEA's position is that a report to the UN Security Council will be inevitable.

'Considerable Progress' in U.S.-DPRK Talks

SK1105003594 Seoul YONHAP in English 0020 GMT 11 May 94

[Text] Washington, May 10 (YONHAP)—The United States and North Korea have made considerable progress on holding a third round of high-level talks despite thorny problems over the changing of nuclear fuel rods at Yongbyon, a U.S. Government official hinted Tuesday.

"North Korea had originally planned to begin changing nuclear fuel rods (at the 5-megawatt reactor in Yongbyon) on May 4, but so far there has not been any information that it has been carried out," said the official, who declined to be identified.

The reactor in question is an experimental one and therefore no technical difficulties are expected, even if the refueling plans are postponed, the official said.

"Pyongyang knows very well that U.S.-North Korean contacts will be broken off if it forces the changing of fuel rods without the presence of the IAEA (International Atomic Energy Agency)," he said.

The official, however, declined to discuss whether Pyongyang had informed Washington that it would delay its plans to change the fuel rods.

The United States and North Korea had a working-level contact in New York on Monday. Kenneth Quinones, the State Department's North Korea desk officer, represented Washington at the meeting.

Asked about the prospect for the third round of talks, the official said the United States is hopeful.

"We firmly hope that (dialogue on holding the talks) has reached the final phase," he noted.

Nevertheless, he said there would have to be many more working-level contacts, indicating a continued verbal tug-of-war between Washington and Pyongyang before the third round of talks could be realized.

The official said he believed that North Korea and the IAEA would "soon" resume negotiations.

"Once IAEA inspections begin, it would probably take about one week," he said, recalling that IAEA Secretary-General Hans Blix is expected to report back to the United Nations Security Council on the progress in the North Korean nuclear row by mid-May.

"The United States understands the technical position of the IAEA and is fully supporting the IAEA in that respect," he added.

UN Envoy: DPRK To Accept IAEA Inspections

*SK1205003394 Seoul KBS-1 Radio Network in Korean
0000 GMT 12 May 94*

[YONHAP from Washington]

[Text] North Korea has clearly expressed that it will accept the International Atomic Energy Agency [IAEA] proposal to send an additional inspection team to Pyongyang for inspections of a radiochemical laboratory in Yongbyon.

Kim Chong-su, deputy ambassador of the North Korean Mission to the United Nations, said today that, because they had already proposed that the IAEA send its inspectors to Pyongyang, they would accept them at any time. Also, he acknowledged, for the first time, that North Korea had not begun the work of replacing fuel rods at the 5-megawatt nuclear reactor.

Diplomatic sources in Washington said that North Korea has already issued visas for the IAEA inspectors to visit Pyongyang. They predict that IAEA inspectors will leave for Pyongyang this weekend and that they will conduct inspections early next week.

Welcomes Inspectors 'Anytime'

*SK1205011094 Seoul YONHAP in English 0058 GMT
12 May 94*

[Text] Washington, May 11 (YONHAP)—The International Atomic Energy Agency (IAEA) will likely conduct additional inspections of North Korean nuclear facilities at Yongbyon early next week since Pyongyang has already accepted the UN nuclear watchdog's request to send inspectors to complete checks at a radiochemical laboratory in the complex.

North Korea's Deputy Ambassador to the United Nations, Kim Chong-su, told YONHAP in a telephone interview Wednesday that his country welcomed nuclear inspectors anytime.

He confirmed publicly for the first time that the North has not gone ahead with refueling of the 5-megawatt nuclear reactor, which it had earlier threatened to do without IAEA supervision when the UN body demanded to take samples of spent fuel rods.

The IAEA director-general sent a telex to North Korean Foreign Minister Kim Yong-nam on Tuesday proposing to send an inspection team to complete work at the nuclear reprocessing plant in Yongbyon that was blocked during its previous visit in March.

The UN nuclear watchdog, however, made it clear that the communist country should delay removal of fuel rods from the 5-megawatt reactor until later this year.

Diplomatic sources in the U.S. capital said North Korea has already prepared visas for the IAEA inspection team

and predicted that the inspectors would arrive in Pyongyang by this weekend and begin their task early next week.

Kim, in the telephone interview, offered assurances that the stalinist regime has not removed any spent fuel.

"We cannot delay removal of the spent fuel rods forever, for the sake of our safety, and we have to change the fuel rods because the situation is like a red light that is on in a car signaling it is running out of oil," he said.

Now that North Korea and the IAEA have settled their row over changing the fuel rods, Washington is expected to schedule a third round of high-level talks with Pyongyang after the additional nuclear inspections are carried out.

Seoul Gives 'Go-Ahead' for U.S.-DPRK Talks

*SK1205002494 Seoul THE KOREA TIMES in English
12 May 94 p 1*

[By staff reporter Son Ki-yong]

[Text] Seoul has given Washington the go-ahead to hold a third round of U.S.-North Korea talks on condition that Pyongyang promises to delay the scheduled refueling at a Yongbyon reactor, a Foreign Ministry official said.

"Pyongyang's promise not to go ahead with the replacement of spent fuel rods will effectively remove a major hurdle for the third round of talks," he said.

As Pyongyang has already promised to accept an additional inspection at the radiochemical laboratory in Yongbyon, its promise almost completely removes stumbling blocks to the long-delayed talks between the United States and North Korea, he added.

The second round of talks was held on July 11 last year in Geneva and the United States promised to support the replacement of North Korea's graphite moderated reactors with light water reactors which yield almost no plutonium usable for nuclear bombs.

Meanwhile, the International Atomic Energy Agency (IAEA) sent a telex to Pyongyang, notifying it that it would send inspectors in the next few days if the "core discharge campaign is deferred," according to a copy of the telex message obtained from the ministry.

"This team is to carry out the activities which the agency was not enabled to implement during the inspection in March at the reprocessing plant (radiochemical laboratory). It is further to perform such activities as the servicing of cameras and checking of seals," it added.

The international nuclear watchdog called on Pyongyang to allow "IAEA inspectors to select and secure for measurements later this year a representative sample of fuel rods."

Pyongyang has strongly opposed the sample-taking at the reactor, insisting it is not related to the continuity of safeguards. Therefore, the IAEA's flexibility on the timing of measurements is apparently designed to bypass Pyongyang's strong opposition for an early resolution to the nuclear issue.

The IAEA's telex can also be interpreted as a concession to North Korea because it said last week that it would not send an inspection team unless North Korea allowed experts to carry out full tests of the reactor's spent fuel.

Meanwhile, the Foreign Ministry official said that the inspection of the 5-megawatt reactor will be further discussed at the third round of talks as insisted by Pyongyang.

However, he expressed a pessimism on the prospects of Pyongyang agreeing to complete inspections at the nuclear reactor, which is decisive to determining the state of the North Korean nuclear development program which started in 1986.

"If the IAEA succeeds in the inspection at the reactor, North Korea will completely lose all use of its nuclear card," he said.

So far, North Korea has made use of the "nuclear card" to secure concessions from South Korea and the United States.

He also denied the possibility that Pyongyang could go ahead with the refueling of the reactor without international supervision.

"In that case, Pyongyang would also lose the nuclear card because it would mean a complete breakdown of all nuclear-related talks, which would lead to U.N. sanctions," he said.

Therefore, South Korea and the United States are in the process of preparing another set of carrots and sticks to remove all doubts surrounding the North Korean nuclear weapons program.

Unification Minister on DPRK, Domestic Issues

*SK1205125094 Seoul CHUNGANG ILBO in Korean
12 May 94 p 5*

[Interview with Yi Hong-ku, ROK deputy prime minister and minister of the National Unification Board, by senior CHUNGANG ILBO reporter Pak Chun-yong in Seoul on 10 May]

[Text] [Pak Chun-hyong] You designed the proposal of the Korean common race when you were the National Unification Board minister from 1988 to 1990. The present government has laid out a three-stage and three-principle policy represented by the following steps toward reunification: reconciliation and cooperation, alliance, and reunification. Are these two conceptions different?

[Yi Hong-ku] The Korean common race proposal and the reunification method based on the three-stage and three-principle policy are same in nature.

President Kim Yong-sam's mentioned the phrase "within the frame of the Korean common race" while announcing the reunification method in July 1993. As hinted by this, the government's reunification policy includes three separate steps to achieve the Korean common race.

In other words, the three steps are virtually included in the Korean common race and the government's reunification policy has made this clearer.

Accordingly, in spite of four years before I returned to the office of the unification minister, I can invariably push ahead with the reunification policy since it has not been changed at all.

[Pak] It sounds as if there has been no big change in the government's policy on North Korea. The new government attempted a fresh approach toward relations with North Korea. The opinions, however, have been divided into conservative and radical views as the nuclear issue was aggravated. How will you, as the minister of the National Unification Board, overcome this problem?

[Yi] There are two important things to think about. First, there were such big incidents as the collapse of the Soviet Union and the unification of Germany. They were not usual incidents. They mean the end of the age of ideology and doctrine that lasted for 100 years. As a result, we came to have the imminent task of solving the problem of the Korean peninsula, an outsider from the post-cold war stream of the world history, in a peaceful way, not by war.

In light of this point, we must, as soon as possible, free ourselves from the old dogmatic ideas not only in relations with North Korea, but also with the entire society.

Unfortunately, however, some of our younger generation, who are expected to be the most advanced, are still obsessed by the dogmatic ideology that prevailed in the early 20th century.

However, the lack of any definite plan in freeing oneself from dogmatism may result in a vacuum. Accordingly, civilian-led education on details of reunification is keenly required for creating a ripened civic sense in preparation for reunification.

Right after the World War II, the German Government also set aside a large budget for the people's political education programs to raise the people as mature civilians.

[Pak] Some people feel the government needs to adjust its North Korean policy after reevaluating the policy of linking South-North economic cooperation with the nuclear issue as no progress is being made in South-North relations because of the nuclear issue.

[Yi] I believe that the government's position is very reasonable. The problem is an order of priority. The government believes that there is nothing more important than the North Korean nuclear issue in present North-South relations. In other words, the government gives the highest priority to resolving the nuclear issue in its North Korean policy. This is because the nuclear issue is a matter of the nation's existence, not a matter of ideology. I do not mean, however, that the government will dogmatically interpret the meaning of the "settlement of the nuclear issue." It is not the position of the government to indefinitely delay the settlement of many North-South issues, including North-South economic cooperation, until the complete settlement of the nuclear issue. Nuclear transparency is a key factor in resolving the nuclear issue. We can say that in conformity with developments, the government has formulated a stage-by-stage plan to deal with North Korea, including North-South economic cooperation, on the assumption that the way to resolving the nuclear issue can be discovered in several months, instead of several years.

[Pak] It must be sure that Pyongyang's goal is to improve relations with Washington. People say that many problems—including the nuclear issue and the easing of tensions on the Korean peninsula—can be simultaneously solved only if the United States improves relations with North Korea. What do you say about this?

[Yi] The government has already formulated its policy based on such a direction. A few weeks ago, our government even withdrew its policy on the exchange of North-South special envoys.

Because there has been no progress in North Korean-U.S. talks as a result of our government's call for the exchange of special envoys, we could not but make a bold decision to withdraw it. This was not even thinkable in the past. Without the people's cooperation and their consciousness as citizens, this cannot be possible, either. However, the problem is North Korea's attitude.

The U.S. Government is well aware that North Korea wants to establish diplomatic relations, as well as to gain economic support from the United States. However, Pyongyang has not yet decided on its position on abandoning its nuclear development—which it uses as a card for establishing diplomatic relations with the United States.

Finally, we can say the settlement of all the problems—North-South dialogue, U.S.-North Korean relations, and North Korean-International Atomic Energy Agency relations—depends on North Korea's choice.

The government's basic North Korean policy should be formulated in a direction in which it can be profitable to North Korea in the trends of world history.

[Pak] Some people think eliminating North Korea's distrust of the external world could be one of the means to change North Korea.

[Yi] North Korea's adjustment to the post-cold war era does not mean it has to become like South Korea. It will be rather closer to China.

If North Korea wants to readjust using the Chinese model, we will directly and indirectly help make the changes in a way that will not disgrace or burden North Korea.

[Pak] Regarding the repatriation of Yi In-mo after much dispute, although a survey by the National Unification Research Institute shows 79.2 percent of the people support the decision, some people think it was a mistake as North-South relations fell into a stalemate.

North Korea has recently demanded the repatriation of unconverted long-term prisoners Kim In-so and Ham Se-hwan. What is the government's position on this?

[Yi] The issue of unconverted long-term prisoners should be considered from various angles, not separately. Our people repatriated Yi In-mo on a humanitarian basis.

However, North Korea took him to every corner of the country and held people's rallies. That is not a humanitarian but political act under the excuse of humanity.

Furthermore, we also have 400 people who have been abducted to the North, including the 12 crew of the fishing boat Tongjin-ho, which was kidnapped in 1987.

As mentioned a few days ago by Kang Yong-hun, president of the South Korean Red Cross, our position is to make a package discussion covering all the pending humanitarian issues of the North and the South irrespective of the format, be it Red Cross talks or other talks.

[Pak] North Korea recently proposed to the United States to replace the Armistice Agreement with a peace agreement. How would the government react to this?

[Yi] It contains a more strategical meaning aimed at blurring the focus of the nuclear issue. We look forward to responsible acts by North Korea.

We will adhere to the policy of resolving this issue through direct negotiations between the parties concerned in the South and the North.

Article 5 of the basic agreement between the South and the North stipulates that mutual efforts will be exerted to transform the armistice situation to a peaceful one, and that the current Armistice Agreement will be abided by until the advent of a peaceful situation.

[Pak] I understand that the government's decision to accept North Korean loggers is noteworthy because it was based on a policy to separately handle the regime and the people. Would the principle of differentiating the North Korean people from the regime be applied continuously in the future?

[Yi] Basically, North-South issues have a contradicting dual composition of a confrontation system and the

efforts to resolve the confrontation through dialogue. The loggers issue is an example.

Therefore, the government plans to prudently solve the problem taking both the humanitarian aspect and North-South relations into consideration. It is true that this may sound like a contradiction.

I think politics is virtually to efficiently and reasonably lead such a contradictory situation.

Nuclear, Economic Issues Linked

SK1205021094 Seoul YONHAP in English 0155 GMT 12 May 94

[Text] Seoul, May 12 (YONHAP)—South Korean National Unification Board Minister Yi Hong-ku said Thursday that if North Korea developed "even one-half of a nuclear weapon," it would nullify the joint declaration of the denuclearization of the Korean peninsula signed on Dec. 31, 1991.

Speaking at a meeting of the Korean Newspaper Editors Association, Yi, who is also deputy prime minister, said the current military balance between South and North Korea and peace on the peninsula would be broken if the North came to possess nuclear arms.

The Seoul government cannot retract its policy of linking the nuclear issue with South-North economic cooperation until the dispute starts heading in the right direction, Yi said.

The government is nonetheless ready to respond to changing developments, Yi added, indicating that the policy of linkage could be flexible.

Commenting on a North Korean bid to replace the armistice agreement with a peace treaty with the United States, the minister said the government is trying to formulate measures on the move through consultations among concerned ministries.

"In any event, there is no change in the principle (of the Seoul government) that this problem has to be resolved between the two Koreas," he said.

In this respect, the United States is fully aware that inter-Korean accord is necessary to ensure peace and stability on the Korean peninsula, he added.

With regard to North Korean loggers fleeing from Siberia, Yi said there is no change in the government's policy of trying to help them settle in the South.

The problem should be handled quietly, however, so as not to irritate Russia and other countries involved, he said.

'Positive' Attitude on DPRK Issue

SK1205020194 Seoul KBS-1 Radio Network in Korean 0100 GMT 12 May 94

[Text] Yi Hong-ku, deputy prime minister and minister of the National Unification Board, said that the third round of U.S.-North Korean talks are likely to be held next week when the International Atomic Energy Agency begins additional inspections of North Korea.

In a breakfast meeting with newspaper editors today, Deputy Prime Minister Yi Hong-ku predicted that positive progress [kungjongjogin chinjon] will be made in resolving the nuclear issue in the coming week and stressed: Although the replacement of fuel rods has been postponed, the sampling [sonjong], preservation [pogwan], and special measurement [tuksu kyechnik] of samples must be conducted without fail.

Deputy Prime Minister Yi said: The government will no longer emphasize the importance of holding South-North dialogue ahead of U.S.-North Korean talks [sonhu kwangye-e chipchakhaji anul kosimyo], and is now focusing on North Korea's guarantee of nuclear transparency in resolving the issue.

He stressed: The ROK and the United States firmly share the view that if North Korea possesses even half a nuclear weapon, it would be regarded as an act of nullifying the joint declaration on the denuclearization of the Korean peninsula.

Japan's Initial Explanation on Plutonium Viewed

SK1205022394 Seoul KBS-1 Radio Network in Korean 0100 GMT 12 May 94

[Text] The Japanese Government reportedly explained to the ROK Government, in regards to the discovery of 70 kg of undeclared plutonium in the Tokaimura nuclear fuel plant, that they will soon provide clarification of the truth.

A relevant ROK Foreign Ministry official said on 12 May, that the ROK Government has received an initial reply from the Japanese Government to its request for clarification on the discovery of a large quantity of undeclared plutonium, and added that the ROK Government will take necessary measures after watching over how Japan proceeds on its clarification of the truth.

DPRK 'Request' for PRC Mediation Reported

SK1105143094 Seoul KBS-1 Radio Network in Korean 1400 GMT 11 May 94

[By correspondent Pak Tae-sok from Beijing]

[Text] It was learned that North Korea asked China to play the role of mediator for an early settlement of the nuclear issue. Western diplomatic sources in Beijing revealed that China accepted the North Korean request

and is currently carrying out a behind-the-scene diplomatic role as mediator between the ROK, the United States, and North Korea.

This source revealed that last week North Korea conveyed to China its intention for an early settlement of the nuclear issue by means such as accepting nuclear inspections and holding the third round of DPRK-U.S. talks. At the same time, it conveyed to China that it wants to resume dialogue with the United States. It was learned that the Chinese side conveyed the position of the North Korean side to the U.S. side as well as to the ROK Government.

PRC Minister Declines Comment on DPRK Loggers

*SK1105015194 Seoul YONHAP in English 0137 GMT
11 May 94*

[Text] Seoul, May 11 (YONHAP)—A Chinese minister in Seoul said Wednesday that Beijing opposes possession of nuclear weapons by both South and North Korea.

Minister Jie Qihua said in a speech to Buddhists here that China supports solution of the North Korean nuclear problem through inter-Korean dialogue and through talks between Pyongyang and the International Atomic Energy Agency (IAEA).

"China supports South and North Korea and North Korea and the IAEA solving the nuclear problem patiently within the framework of bilateral dialogue," he said at a ceremony marking the second anniversary of the inauguration of the Buddhist Council for Peaceful Unification.

"China will fulfill its constructive role for peaceful settlement of the nuclear problem," he said.

However, he declined to comment on those North Koreans who have recently escaped from Siberian logging camps.

"It is difficult for me to comment on the issue because it is related to the difficult situation of the North Korean authorities."

Meanwhile, he emphasized that South Korea and China should further strengthen bilateral relations as partners in the Asia-Pacific era in the 21st century.

"The two nations have rapidly developed their bilateral relations since they formed diplomatic ties on Aug. 24, 1992. But they still have to strengthen bilateral cooperation in many fields, including the economy," he added.

PRC Asks ROK Firms Not To Aid DPRK Fugitives

*SK1105063194 Kwangju KWANGJU ILBO in Korean
9 May 94 p 2*

[Text] Recently, authorities of Yanji Municipal Public Security in China reportedly sent an official letter to

Haninhoe, a group of some 300 South Korean companies in the Yanbian region, requesting that they not protect or help North Korean fugitives.

The reason for the PRC's relay of such a letter to South Korean companies may have been spurred by North Korea perhaps lodging a strong protest to the Chinese Government following rumors that South Korean companies are helping North Korean fugitives.

A South Korean Government official said on 8 May: "We have been informed by companies in Yanbian that the PRC sent a letter to Haninhoe requesting that they neither protect nor help North Korean fugitives, but concentrate on business."

Iranian Oil Minister Aqazadeh Holds Talks

*LD1105130194 Tehran IRNA in English 1159 GMT
11 May 94*

[Text] Seoul, May 11, IRNA—Iran's oil minister, Gholamreza Aqazadeh, discussed his ministry's future construction and building plans with South Korean minister of construction affairs, Kim U-Sok, in Seoul Wednesday. The two sides expressed satisfaction over the cooperation in the field of construction and referred to the projects to manufacture oil tankers and gas compressors for Iran's gas industries as two successful examples of cooperation between the two countries. They also agreed to consider promotion of ties through exchange of information via visiting delegations. Aqazadeh also met with South Korea's minister of energy, trade and industries, Chulsu Kim, on Tuesday.

The two ministers voiced happiness on the expanding relations between Iran and South Korea especially on the purchase of Iranian oil by Korean refineries and carrying out of some projects in Iran's oil industries by Korean companies. They further expressed interest that South Korea would increase its purchase of Iranian liquid gas.

South Korea's increasing demand for Iran's crude oil and natural gas was also among the issues discussed in the meeting. Aqazadeh said that Iran was ready to continue to provide Korea with the crude oil. The Iranian oil minister arrived in Seoul Monday.

France Thanked for Assisting Koreans in Yemen

*SK1205090094 Seoul YONHAP in English 0707 GMT
12 May 94*

[Text] Seoul, May 12 (YONHAP)—South Korean Foreign Minister Han Sung-chu sent a letter of appreciation to the French Government Thursday thanking it for transporting Korean evacuees out of strife-torn Yemen.

In the letter addressed to French Foreign Minister Alain Juppe, Han noted that the French Government's efforts in carrying foreign residents to safety will receive strong support and applause from the world community.

Twenty-five South Koreans in Yemen, including businessmen and family members of the embassy staff, were brought to Djibouti from Yemen aboard French military aircraft.

Officials here said Seoul may ask Paris for further assistance in transporting the remaining 14 Koreans in Yemen, including the ambassador.

Foreign Minister on Post-UR Foreign Policy

SK1205022794 Seoul YONHAP in English 0150 GMT 12 May 94

[Text] Seoul, May 12 (YONHAP)—South Korean Foreign Minister Han Sung-chu, addressing the whirlwind of change already sweeping the post-UR [Uruguay Round] world, has urged the public to rectify the constant lag in sensing such change.

He warned against new issues—the environment, labor and competition policies—becoming a new form of protectionism and vowed South Korea will pursue independent policies minimizing the trade accord's adverse impact while contributing to the new world order.

"The world is going through the process of becoming one market and one economy. This is the new reality," Han said in a luncheon speech to the Korean Council on Foreign Relations.

"Korea's domestic as well as external situations are changing at a breathtaking pace. Our perception should keep abreast of that pace but in many cases our perception is lagging behind," he told the council of senior and foreign diplomats in a speech titled "Post-UR International Order and Korea's Foreign Policy."

Unfortunately, South-North Korean relations are still calculated on a zero-sum game basis, but South Koreans must realize the new international order will be based on non zero-sum games.

In a comprehensive explanation of South Korea's position on major new issues, Han clarified what the country can and cannot accept.

On labor, for instance, South Korea has no reservations on improving protection of workers' basic rights. "And prisoner and child labor should be prohibited by all means," said Han.

But South Korea does have reservations about attempts to establish international standards, which "will hardly contribute to enhancing workers' rights nor is this practicable," the foreign minister said.

On competition policy, individual mechanisms considered unfair or restrictive—monopolies, quotas, subsidies, countervailing and anti-dumping duties—"should be reviewed on a case-by-case basis before judgement is passed," he said.

The foreign minister defended the government's decision to join the Organization for Economic Cooperation

and Development (OECD) by 1996, reasoning membership in the group will give Korea time to prepare its economy in advance.

But here again, South Korea will pursue independent policies.

South Korea's Official Development Assistance (ODA) level lags behind the requirement set by the OECD's Development Assistance Committee (DAC).

"Korea is considering wavering its membership in the DAC even if it joins the OECD by the year 1996," he said.

"Korea intends to comply with as many provisions as its economy can abide without serious disruption," he said. "And for the rest, Korea will present a reasonable schedule for liberalization."

Ministry To Ease Foreign Exchange Regulations

SK1005073194 Seoul THE KOREA HERALD in English 10 May 94 p 8

[Text] The government plans to ease foreign exchange regulations next month to liberalize current-account transactions to the level of advanced nations and capital movements to a lesser extent.

Restricted current-account transactions will be reduced from the current 109 categories of 61, the Ministry of Finance said yesterday.

The planned reduction of categories on the "negative list," from the current 109 to 61, will enhance the liberalization of current-account transactions to the level of members of the Organization for Economic Cooperation and Development, a grouping of advanced nations, the ministry said.

Of the 34 categories of current-account transactions requiring approval from the Bank of Korea, the ministry said, the central bank will entrust commercial banks with the authority to validate 25 categories.

The central bank will continue to retain the authority to approve nine categories of current-account transactions for fear that they may be exploited as channels of illegal foreign exchange out-flow, the ministry said.

Categories of current-account transactions requiring the approval of the Bank of Korea is rarely, if ever, permitted by the central bank, said an official from the ministry.

They include payments for overseas travel in excess of \$5,000 and remittances in excess of \$5,000 as gifts, the ministry said.

Categories that will remain on the negative list include current-account transactions relating to gambling and drug trafficking, the ministry said.

The liberalization of capital movements, which will add 15 new categories of capital movements to the "positive list" of 103 categories of capital movements that can be conducted without the approval of the Bank of Korea, will ease restrictions on borrowing money abroad, the ministry said.

Domestic businesses will be allowed to borrow money abroad to finance their overseas advertisements, the ministry said.

Last year, domestic businesses spent \$200 million in overseas advertisements, all of which was brought from their headquarters in the nation because of the regulations on capital movements, the ministry said.

The government will also permit domestic businesses to borrow money abroad to explore oil and other resources in foreign countries, the ministry said.

To borrow money abroad for such overseas projects, it said, domestic businesses are required to have those projects validated by their designated domestic banks.

Overseas branches and locally incorporated subsidiaries of domestic corporations will be allowed to borrow money abroad to make commissions or advance payments for their trades in overseas futures markets, the ministry said.

But the government will strengthen its supervision on overseas financing to prevent funds raised abroad from being brought into the nation, the ministry said.

Among the new 15 categories of capital movements that will no longer require approval from the central bank are debt-payment guarantees by domestic exporters to foreign importers seeking to borrow money from domestic banks, and loans provided in Korean won by a resident to a resident and payable in foreign currencies.

The central bank will entrust commercial banks with the authority to approve 13 of the 26 categories of capital movements that currently require approval from the central bank, the ministry said.

They include transactions conducted between residents and involving the movement of \$100,000 or less, including the trade of bonds payable in foreign currencies, the ministry said.

The government will ease restrictions on the settlement of exports and imports, the ministry said.

Domestic exporters will be allowed to receive advance payments for their exports beyond the set limits on condition that excess advance payments are deposited with overseas branches of domestic foreign exchange banks, the ministry said.

Currently, the government restricts such advance payments to 10 percent of the value of exports in the previous year for small- and medium-sized companies and 3 percent for large corporations.

The government is restricting advance payments on the grounds that they are no different from bank loans from abroad, the ministry said.

In view of growing bilateral trade and exchanges between Korea and China, the ministry said, the Korean government will add the Chinese currency to the list of "designated foreign currencies" for freer conversion into and from the Korean currency.

The government will no longer distinguish 589 Class A foreign exchange banks, permitted to engage in all types of foreign exchange business, from 2,009 Class B foreign exchange banks which are restricted to domestic foreign exchange business, the ministry said.

Banks will be allowed to choose foreign exchange business areas for their branches on their own discretion, the ministry said.

The government will allow resident individuals to buy foreign currencies within the limit of their foreign currency sales during the previous three months, the ministry said.

But the daily limit to foreign currency purchases by the same person will be \$50,000, the ministry said, adding that individuals will be allowed to hold an unlimited amount of foreign currencies on condition that they report foreign currency holdings in excess of \$450,000 to their foreign exchange bank.

Burma**SRV Prime Minister Begins Official Visit****Arrives in Rangoon**

*BK1105152794 Rangoon Radio Burma in Burmese
1330 GMT 11 May 94*

[Excerpts] A delegation from the Socialist Republic of Vietnam [SRV] led by Prime Minister Mr. Vo Van Kiet arrived at 0930 today in a special plane at the Yangon [Rangoon] International Airport to pay a goodwill visit to Myanmar [Burma] at the invitation of Senior General Than Shwe, prime minister of the Union of Myanmar.

The visiting prime minister, Mr. Vo Van Kiet, his wife, Madame Vo Van Kiet, and his delegation were welcomed by Prime Minister Sr. Gen. Than Shwe and his wife, Daw Kyaing Kyaing; General Maung Aye, deputy chairman of the State Law and Order Restoration Council [SLORC], and his wife; Lt. Gen. Tin Tun, deputy prime minister; Lt. Gen. Khin Nyunt, SLORC secretary-1; Lt. Gen. Tin U, SLORC secretary-2, and his wife; Lt. Gen. Myo Nyunt, minister of religious affairs; Brigadier General Myo Thant, minister of information; U Ohn Gyaw, minister of foreign affairs, and his wife; U Nyunt Swe, deputy foreign minister, and his wife; U Aye, Myanmar ambassador to the SRV, and his wife; Mr. Tran Viet Tan, SRV ambassador to Myanmar, and his wife; leader of the diplomatic corps in Myanmar; senior diplomats from foreign embassies; and the staff of the Vietnamese Embassy. Students greeted the visitors by waving the flags of two countries and shouted slogans of friendship between two countries. [passage on welcoming ceremony omitted]

Vietnamese Prime Minister Mr. Vo Van Kiet is accompanied by a 37-member delegation that include his wife, Madame Vo Van Kiet; Mr. Nguyen Manh Cam, foreign minister, and his wife; Mr. Tran Hoan, minister of culture and information; Mr. Nguyen Quang Ha, minister of forestry; Endall) 111330

Than Shwe Receives Vo Van Kiet

*BK1105153594 Rangoon Radio Burma in Burmese
1330 GMT 11 May 94*

[Text] The visiting Vietnamese Prime Minister Mr. Vo Van Kiet paid a courtesy call on Senior General Than Shwe, prime minister of the Union of Myanmar [Burma], at 1400 today in the Credentials Hall in compound of the People's Assembly building.

Present at the meeting with Prime Minister Sr. Gen. Than Shwe were: General Maung Aye, deputy chairman of the State Law and Order Restoration Council [SLORC]; Lieutenant General Tin Tun, deputy prime minister; Lt. Gen. Khin Nyunt, SLORC secretary-1; Lt. Gen. Tin U, SLORC secretary-2; U Ohn Gyaw, foreign minister; U Nyunt Swe, deputy foreign minister; U Aye,

Myanmar ambassador to SRV; and Thura U Aung Htet, director general of the Protocol Department of the Ministry of Foreign Affairs.

SRV Forestry Minister Calls on Chit Swe

*BK1205101894 Rangoon Radio Burma in Burmese
1330 GMT 11 May 94*

[Text] Mr. Nguyen Quang Ha, minister of forestry of the Socialist Republic of Vietnam [SRV] currently visiting Myanmar [Burma], called on Lieutenant General Chit Swe, minister of forestry, at 1550 today at the International Business Center on Prome Road. The ministers held cordial and frank talks on the promotion of bilateral friendship, development of forestry sector, the exchange of forestry technology, cooperation in the development of timber-based industry, and forest conservation.

Khun Sa Interviewed on Current Issues

*BK1005141794 Bangkok THE NATION in English
10 May 94 p C1*

[Interview with Khun Sa by Prawit Rotchanaphruk, Bunloet Siakim, and Dom Suwana; place, date not given]

[Text] The Burmese have made some advance and they are now on the western side of the Salween River, how do you see the situation?

I'm not worried at all if the Burmese could have crossed (the river) they would have done it. It's not that they have taken pity on us, or that we are their brothers, the fact is that they can't. I sleep peacefully at night and actually I really want them to cross (the river) to our side if they can so I can shoot them myself.

You see, the Salween River doesn't belong to the Burmese, it belongs to us—the Thai Yai. If Thais think about utilizing our four main rivers (Nam Salween, Nam Muang Phuek, Nam Muang Sat, Nam Muang Loi), the Thai brothers, the Thai millionaires and the Thais in the private sector should help Khun Sa a bit. Once we can stand up against the Burmese, we will drive them back to where they belong. And Thais can make use of the rivers.

/How much area of the Shan State is under MTA (Muang Tai Army or the Army of the Tai Nation) influence?

We have control over two-thirds of the Shan state.

How do you look at the proposed quadrangular economic sphere that includes Burma, China, Laos and Thailand? Who do you think will really benefit from it?

I don't think of it as an economic road, it's a strategic road for the Chinese only. The Chinese have spent many hours thinking of ways to outsmart the Burmese, Lao-tians and Thais. The Chinese want to build a bridge across the Salween River and build railways so they can send their troops down to Laos, Cambodia, Thailand, Shan state and Burma within 24 hours. It is not about the economy.

You have said that if the Thai government helps you, the MTA would surely defeat the SLORC (Burma's ruling State Order Restoration Council), can you elaborate?

I will push all the Burmese out of Shan state because they invaded us first, they also broke the Panglong treaty that recognized Shan independence. Because of all this, the MTA doesn't have to look for soldiers, men come willingly. These men voluntarily take arms to force the Burmese out. All we need are some arms and money.

The Burmese have only the rice and the sea to depend on, nothing else. All the rest of the natural resources that they are selling to foreigners belongs to us, the Thai Yai, so may I request everyone not to buy Burmese goods. Those goods actually belong to us, the Thai Yai. Once they get money, they buy guns to kill us. Thais and Tai (the other name for Thai Yai) are brothers. We share the same blood, the same King and Queen. If Shan gained independence, it would be another Tai state, and the name of His Majesty the King would be spread even further. Thais will trade with Tai, and the Thai economy will be even better.

Does this mean that once Shan gains independence, it will become part of Thailand?

No, not as such.

Besides other ethnic groups in Shan state, have you been negotiating with other armed minorities like Kayah, Karen or Mon about political and economic alliances?

I have delegated respective people to negotiate with the Karen and Kayah to come up with a draft constitution of the new confederation of states and to see if we can have an alliance of sort like the European Community.

Given the present situation, what are you most worried about?

There are only two things that worry me: money and arms, nothing more.

How do you view the combined income you derive from opium and heroin taxes that you collect and those from the sales of Shan's jade, ruby and sapphires in relation to the amount you spent to keep the MTA running?

That money is good for the purchase of our soldiers' boots only (laughs).

The United States government always tells all its allies that having any kind of relationship with Khun Sa is wrong. What do you think of your reputation as the King of Opium, the man who is responsible for the loss of millions of lives, especially in the United States, due to heroin?

The United States government sent someone to ask me about it. But I think they are crazy! And all they did was wrong. Now, they have realized that what they did in the past was wrong and they've started to talk with me.

What about the mass media? You are portrayed as an opium crook who causes millions of death.

The United States had also sent someone to ask me I told them that the killer is not me, but the US DEA. I do political work, I'm not an opium trader.

I collect (protection) taxes from traders, and this is the truth. And I also don't have to catch (the growers and traders). Who would I send them to? I just need the taxes to feed my soldiers.

Don't you think that your act alone is indirectly causing suffering?

That's up to what you think but I don't care. Americans trade drugs too, so do the British don't they? But I see no one making a big fuss over those people. I think some people made me a target to earn money. They know that I don't grow opium.

If there was anything that you could convey to the millions who are addicted to heroin and opium, what would it be?

First, I know that opium is not a good thing, it destroys one's health I quit growing opium in 1962, before anyone else. That year I initiated a tobacco plantation. I built 80 medical centres and 80 schools until the Burmese collaborated with the KMT (Kuomintang, the nationalist Chinese) and attacked us. Most medical units were destroyed but some schools still remain today. Local people can verify this.

If I met an addict, I would bring him in for rehabilitation. We have a rehabilitation centre here. I feel concern for four groups of people: the opium growers, the addicts, the traders and those who are jailed for narcotic related charges. I feel pity that drugs destroyed their families.

In 1977, the United States government sent Mr Josef Nellis to negotiate with me. I proposed to him a 6-year opium eradication scheme but the US refused. Since then, I don't know how many six year terms have repeated themselves but the amount of opium production in Shan and Burma were at 200 tonnes per year before British colonization. But since the inception of the DEA, the number has increased to over 4,000 tonnes. The money that the DEA put in became a good fertilizer for opium. What I would like to say is, "Don't make a big fuss over it."

If those who are after me say that Khun Sa is the undisputed Opium King, then why not come to get me? If you want to catch the main goon come and get the chief goon not those minute hooligans. But they don't so when can the crime be eradicated?

I made a proposition to the Thai government too. I wanted to tell them that it's not a big deal if we really want to eradicate opium but don't do it the DEA way. Or don't do it the UN's way because what they are doing now is like trimming a tree. They should come to me and uproot the tree. I really look forward to cooperating with

all parties. If we have enough money to live and fight to attain independence we could eradicate all the opium fields in one day. The existing opium can be sold to any nation interested and it can be dumped wherever they wish.

Khun Sa's 'Top Political Aide' Profiled

*BK1005134794 Bangkok THE NATION in English
9 May 94 pp C1, C2*

[Article by Prawit Rotchanaphruk: "Using Evil in the Fight for Freedom"]

[Text] Being responsible for nation's political and external affairs is no easy task. It's even more difficult when that country not recognized by world communities, when one third of its land is under foreign occupation, and when that country has been at war for most the last four decades.

The situation becomes even more complicated when the president of that country is on the US Drug Enforcement Agency's (DEA) most wanted list for narcotics-related charges, and when the president's nickname is the "Opium King" or "Prince of Darkness".

It's a daunting task for anyone. However 46-year-old Khuensai Chaiyen, top political aide to Khun Sa, the self-proclaimed leader of the Shan State, takes it all in his stride. His pride in his state is visible in his bespectacled eyes.

"We Thai Yai (also known as Tai, the major ethnic group in the Shan State and a close relative of the Thai people) fought alongside the Burmese for independence from the British colonial masters. But in 1952 (four years after Burma gained independence) the Rangoon government sent its troops to invade and occupy the Shan State. And I grew up under the Burmese occupation.

Now as secretary of external affairs for the Shan State Restoration Council (SSRC), Khunsai is an old hand at local and external affairs.

It's been 25 years now since Khunsai first became involved with the revolutionary activities that eventually led to the unofficial independence in 1958 of the 160,000 square kilometres of land that make up Shan State, just north of Thailand.

Born to a merchant family in 1948 in the Nam San principality of Shan State, Khunsai was better off than the average Shan family. When the time came, he managed to pursue a university education in chemistry at the Mandalay Arts and Science University. But growing up under foreign occupation eventually raised many questions in the mind of the young student.

"I asked myself why the Thai Yai had to learn the Burmese language? Why the Burmese didn't like us to wear traditional Thai Yai pants? Why the Burmese enjoyed more civil rights than we did? Why many able

Thai Yai people had to work under Burmese who were not as competent? And why we had to obey them?"

These many whys haunted him, and eventually Khunsai decided to become involved with anti-Burmese activities. However, it was not long before the authorities found out.

"I had to leave university after my third year of education," Khunsai recalled. His dreams of becoming a scientist were shattered. But a higher dream brought him to work for the Shan United Revolutionary Army (Sura).

Though he didn't excel in the military field, Khunsai was a witty, intelligent person, able to converse in English, Burmese, Thai Yai and Thai. He chose political work and soon the young Khunsai proved his pen was mightier than many men's swords as he speedily climbed the Sura ladder.

In the mid seventies, on the eastern side of the Shan State, another powerful Shan army, with money funded by heroin and opium trade, was growing under the control of Khun Sa. But soon, the uncontested Opium King who claimed to be a freedom fighter was pushed out of Ban Hin Taek in Mae Chan District of Chiang Rai province by the Royal Thai Army for being the US DEA's enemy number one.

Then in 1985 Khun Sa decided to join forces with Sura and make the little village of Ho Mong, just north of Mae Hong Son province, the new army base. Eventually Khun Sa became president of the SSRC and commander in chief of the Muang Tai Army (MTA) or the Army of the Tai Nation.

In the years that followed Khunsai became associated with Khun Sa and soon became his top political aide. He also saw Ho Mong, a sleepy village embraced on all sides by green mountain ranges, grow into a relatively modern town with 20,000 civilians, electricity, a high school, dozens of shops, a karaoke bar, a 60-bed hospital and gem emporium. The village is also the base of the MTA, which, according to Khun Sa, boasts some 47,000 members, some armed with advanced Soviet-made weapons. The prosperous town has become the centre of Khunsai's hopes for independence.

But most of the town's wealth is not "clean" money. Despite recent attempts to capitalize on the Shan State's abundance of jade, rubies and blue sapphires, much of the state's wealth comes from the notorious opium plant.

"There are two things we do with opium and heroin," Khunsai said matter-of-factly. "First, we allow opium caravans or heroin refineries to be set up under our protection. Second, we collect taxes from them. We could have set up these refineries ourselves, but then they would be state owned, and that wouldn't be proper. So the private sector is taking care of it."

Khun Sa, according to critics, is—at least in part—responsible for the millions of people in the United States, Europe and Asia for whom drug addiction has

ruined their lives. The Shan State is the world's major site for opium cultivation and heroin production. The top quality white powder heroin the state produces fetches up to US\$200,000 (Bt [baht] 5 million) per kilogram once it reaches the United States. That's 20 times what the drug is worth on the streets of Bangkok. With such profits to be made, each year hundreds of million of dollars changes hands.

"Nobody wants to see opium and heroin, not even the growers themselves," said Khunsai defending his *raison d'être*. "If there was peace in my country I would rather do something else. But we have to fight the Burmese, so who can we go to for money? Nobody is helping us, so what can we do? Please help me think about it too," he asked seriously.

"If the Bangkok Bank would loan me some money I would surely apply for it."

If opium is to be eliminated, said Khunsai, people must first know where it comes from. The secretary claimed that at one time, the Thai Yai grew one seventh of the total amount of opium produced in Shan State. But now, he said, almost all the ethnic groups in the state are involved with growing the deadly plant.

He pointed to three major reasons behind the surge in opium production. "The first and second reasons are that the now defunct Kuomintang (KMT) and the former Communist Party of Burma (CPB) encouraged local people to grow (opium). Third, the Rangoon government wanted to lay blame on us. They forced us in every way they could. So we had no choice but to depend on opium money.

"The KMT and CPB are now defunct, but the Burmese are still there. As long as they are still around (in the Shan State), it will be impossible to solve this issue. We must drive them out," he concluded.

But even if they succeed, Khun Sa's reputation may never change in the eyes of the world. While Khunsai regards his president as a man who can cope under all circumstances, Khun Sa can not evade the world's condemnation for his narcotic related activities.

"Making Khun Sa the Opium King is a political game," said Khunsai, defending his boss. We were unlucky that the DEA was formed with the least credible police the United States has known. They (the DEA) did it (put Khun Sa on their most wanted list) for their own benefit.

"Do you think they really want to arrest Khun Sa? If so, why is the prize for his head just Bt500,000? The sum... would not even cover a rich man's expenses for a year. All this means that the DEA wants Khun Sa to live so the DEA can get a bigger budget and hold on to their jobs."

Meanwhile, as the war with the Burmese drags on, Khunsai is attempting to change the world's attitude toward Khun Sa and the struggle for Shan independence. Khunsai said he was well aware that the longer the war continues, the more tears will be shed.

After four decades of war, thousands and thousands of young men have gone to the front line. Many never return. The MTA, in need of new recruits, will enlist another 4,000 soldiers this year, many as young as 16 and many of them conscripts. All families with a son are obliged to send at least one of their sons to serve in the MTA.

"Those under 16 are not eligible to be soldiers but they must undergo years of military preparation," he explained. "If they are 10 years old, they are ready to receive training, and they are strong enough to carry guns.

"These kids have strong hearts, they have always wanted to go to war. Once there was an order for these youngsters to march to the Salween River.

These kids thought they were finally going to fight, but they were disappointed once they realized they were only sent to carry wounded soldiers back on stretchers."

But through political maneuvering, Khunsai hopes speedy victory or independence will be achieved. "We are negotiating with different ethnic groups. The Wa (another large ethnic group situated on the northeastern side of the Shan State along the Shan-Chinese border) army will soon forge an alliance with us. The Burmese have used the Wa to attack us in the past. But that ploy is dwindling along with the strength of the Wa army.

"But it (the Burmese-Wa alliance) will not last long. The Burmese lack dollars so they hired the Wa to burn opium fields as a ploy to get money from the West and the Wa received rice in return. The Chinese government no longer wants to support the Wa. Over the past two or three months, the Burmese have cut down their supply of rice to the Wa army to 1,500 sacks per month, down from 4,000.

It's not enough and the Wa also know they are being used as a tool to earn *Slorc* (Burma's State Law and Order Restoration Council) some hard currency." Khunsai is also optimistic about the possibility of economic forging ties with Thailand.

"If businessmen come to trade with and develop the Shan State, all they will think about will be the profits. They won't think about the political issues, they just want to make money. So we forwarded a letter to His Majesty [HM] the King of Thailand saying it would best for His Majesty to initiate trade relations, as he is the symbol of unity not just for Thais, but for the greater Tai race.

"Aside from logging and fishing concessions, what will the Thais get from the Burmese? Nothing," he continued. "But gemstones and teak wood, are all in the Shan State. But our state is a landlocked nation. So if we want to find a sea route, which would be the best way? Through Thailand. The proposed Salween Dam and quadrangular economic sphere is also in the Shan State. Our two nations are of the same Tai race. Chinese trade

with Chinese, so Thai should trade with Thai (Yai). We have all the raw materials, cheap labour and we can absorb small and medium scale industries from Thailand."

To date, no reply from HM the King has been received, however Khunsai still waits in hope.

At present, nearly 10,000 Burmese troops are also waiting on the west side of the Salween River. They are waiting to begin a major offensive drive before the rainy season arrives. The independence of the Shan State and its 8 million people is still far from being recognized by the United Nations and the price on the president's head remains in place.

But while the rain clouds will soon loom over Ho Mong, Khunsai holds tight to his faith. "I want to see Shan independence" he said. "But it won't come fast. Every day, I hear more and more cases of human rights violations committed by the Burmese. Many people in Burma are suffering. They were used (by Slorc) as vehicles to attain absolute power and then they were discarded and killed. I really want the ordeal to be over now."

Khunsai believes independence of the Shan State will happen during his lifetime. "It's 99 per cent certain," Khunsai predicted with an air of confidence.

But what about the remaining 1 per cent?

"The last 1 per cent," Khunsai replied, "depends on karma, on the good and bad deeds that all of the Thai Yai have committed.

"Lord Buddha must have lied to me if what I did was wrong," he said. "For all these 25 long years, all I have done was for my country."

Cambodia

Sihanouk Says He is 'Dying Very Soon'

BK1205062194 Hong Kong AFP in English 0558 GMT 12 May 94

[Text] Phnom Penh, May 12 (AFP)—Cambodia's King Norodom Sihanouk said Thursday that new blood tests by French doctors here showed he had "very, very serious health problems" indicating that he would die shortly.

"I have no future because I am going to die very soon," a distressed King Sihanouk told reporters at the Royal Palace.

French doctors who took the blood samples sent the tests to the king's doctors at Beijing Hospital.

"The results are not good," the king said. "The doctors in China told me, 'You have a problem. The cancer is still threatening your life.'"

King Sihanouk, 71, has been undergoing chemotherapy and radiation therapy in Beijing since October following the discovery and removal of a malignant tumor near his prostate gland. The cancer has since spread to his bone marrow.

The king, a mild diabetic, also said the tests showed he has an accumulation of fat around his liver and continuing problems with arteriosclerosis, or hardening of the arteries.

King Sihanouk was originally scheduled to return to China on June 2, but he said that he was moving up his departure two weeks to May 18, in frustration at the bickering of politicians here and his inability to solve the Cambodian conflict after UN-sponsored elections last year.

"It is true that I have very, very serious health problems, so I prefer to go now to Beijing because I am not happy with politicians here," he said.

Daily Says King To Get Full Executive Powers

BK1105153194 Phnom Penh CAMBODIA TIMES in English 8-14 May 94 pp 1, 2

[All quotation marks as published]

[Text] Phnom Penh—His Majesty Norodom Sihanouk could assume full powers within the Royal Government. This could materialize if speculations about an impending amendment to the less than a year old national constitution is executed.

Senior government ministers who demanded anonymity said: "Both senior members of the Royal Government, the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and the CPP [Cambodian People's Party] have reportedly agreed to such a move."

"The amendment will see His Majesty assuming full powers under a wide ranging decree for a limited period of time."

"This is designed to give King Sihanouk, on behalf of the beleaguered Royal Government, some measures of respectability to come out with concrete solutions to the numerous problems currently faced."

"The Royal Government, as widely suspected, is unable to solve the many problems such as social unrest and instability because of Khmer rouge elements and defeats at their hands, as well as lack of numerous visible developments and progresses."

"This move seems to be the only way to restore the credibility of the Royal Government and the Kingdom of Cambodia. His Majesty is the only one capable of restoring peace, prosperity and stability to this nation."

"As such, the members of the National Assembly, when called upon to vote for their amendments are bound to say yes as they too want to see continued peace and the restoration of stability."

"His Majesty Sihanouk will bring back a semblance of order to this nation and this will also suppress the internal feuding among members of both parties amongst themselves as well as with each other," the officials said.

Foreign diplomats, although sceptical of such a wide sweeping move, are nevertheless convinced that the amendments, if raised and passed, will indeed see an introduction fresh ideas from a statesman and a political leader who has survived and persisted throughout the turmoil.

"The King seems convinced that the Khmer Rouge issue should be resolved through peaceful negotiations although he supports the military action by the Royal Cambodian Armed Forces."

"The Kingdom of Cambodia needs the services of His Majesty and the co-Premiers should not feel belittled by the move to give the King full powers, as it could be only for a limited period of time and not eternal," the diplomats said.

The King has reportedly delivered stinging criticism to the Royal Government for its reported inability to resolve issues which have been arising of late, including the seemingly rampant insecurity and instability, even within the city here.

However, some other senior ministers although confirming such speculations, has cast doubts as to whether it will be passed by the National Assembly, let alone get sufficient support.

Sihanouk Rejects Full Power; To Return to Beijing

BK1105153394 Phnom Penh AKP in English 0950 GMT 11 May 94

[All quotation marks as received]

[Text] Phnom Penh AKP May 11—His Majesty Norodom Sihanouk has rejected press reports on his willingness to retake full power in Cambodia.

In his letter of clarification dated May 10, King Sihanouk said [words indistinct] Sihanouk made through (political) "manouvers" by proposing a new [words indistinct] and recalling the national mobilization of Sihanoukists which was detrimental to FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and Cambodian People's Party.

These newspapers and persons make slander about me in an inadmissible manner, the king said.

"To increasing numbers of compatriots of all walks of life who requested me to retake the power of state in order to save the "Cambodian boat" from "wreck", I answered precisely that I would never break my solemn oath [words indistinct] the constitution of the kingdom," the king said.

"I will never search for power, will not accept the power that they give me," he said.

He [words indistinct] the past few weeks, he only tried to find a [words indistinct] durable solution between the Royal Government of Cambodia and the Khmer Rouge so as to put an end to the civil war of destruction [words indistinct] stop engaging in [words indistinct] the Royal Government and the Khmer Rouge. I do not want them to cook up slander about me.

King Sihanouk plans to go back to Beijing on May 18 for further medical treatment.

Sihanouk Says UN Operation 'A Waste' of Money

BK1205054594 Hong Kong AFP in English 0515 GMT 12 May 94

[Text] Phnom Penh, May 12 (AFP)—King Norodom Sihanouk said Thursday that the UN peacekeeping operation in Cambodia was a waste of three billion dollars, as because there is no hope for peace in his country.

"I have no illusions. I know there will be no compromise in Jakarta, Paris, anywhere," the king told journalists at the Royal Palace, explaining that he was leaving for China two weeks earlier than planned, in part because he had no hope of solving Cambodia's ongoing conflict.

"Even with 100 round tables (peace talks), there will be no peace," the king said, apologizing to the United Nations for sending 20,000 peacekeepers to enforce a peace plan and hold elections last year.

"It was a waste," the king cried disparagingly. "We did not deserve those three billion dollars, because our behavior is so bad."

The ailing 71-year-old king, who spoke for more than one hour about politics, his eventual death and his despair over the situation that remains in Cambodia, said he was continuing to offer solutions for peace out of desperation.

The Khmer Rouge want ultimately to retake power in Cambodia and return it to "the Stone Age" in line with their communist ideology, he said.

"They have not changed their leadership, their policy, their approach," he said. "Even when they say they accept a round table, it is not sincere. They are not sincere. They are just maneuvering to show plenty of good will," the king said.

"I must confess today ... that as king, I have to promise peace," he said, adding that the prospect was "very bleak."

"Knowing we are going towards the death of Cambodia, I should not remain as king ... but if there remains civil war, people would say it is because the king has left us," King Sihanouk said.

"I am in a very bad situation, worse than Shakespeare's hero, Hamlet," he said.

Sihanouk Issues New Plea for Military Aid

BK1205084594 Hong Kong AFP in English 0810 GMT 12 May 94

[Text] Phnom Penh, May 12 (AFP)—Cambodian King Norodom Sihanouk stressed Thursday that his country's only hope against the Khmer Rouge was foreign military aid, after the United States said it was considering providing arms to the Cambodian government.

Military aid is needed "to save Cambodia from the yoke of the Khmer Rouge, from genocide ... (and) maintain Cambodia as a liberal democracy and member of the free world," King Sihanouk told reporters at the Royal Palace.

"They need everything: new weapons, planes, helicopters, tanks and also ... ambulances," the king said.

The appeal followed comments by a U.S. State Department official in Washington on Wednesday that the United States was considering "the possible provision of lethal assistance" in view of recent guerrilla activities.

But the official, U.S. Deputy Assistant of State for East Asian and Pacific Affairs Peter Tomsen, told a congressional committee that the United States would have to consult other members of the international community before taking any action.

The king last week said he favored having foreign countries—including the United States, France and Australia—arm, equip and train Cambodia's army.

King Sihanouk said the failure of government troops to maintain their hold on the Khmer Rouge base at Pailin in northwest Cambodia, which they captured March 19, showed how badly government forces were in need of training. The Cambodian government has admitted that corrupt commanders spent more time dividing the spoils of the resource-rich region than defending it.

"Their behavior in Pailin was not good at all, so there is a necessity to re-educate our soldiers, to train them and to equip them," he said.

He added that the forces needed "lessons on behavior," referring to reports from human rights watchdog Amnesty International, who condemned the beheading of a Khmer Rouge prisoner of war by government troops last week in Cambodia's northwest.

King Sihanouk said the West "should not say on the one hand that we must save Cambodia from the yoke of Pol Pot ... and on the other hand give nothing to the royal government."

Indonesia

Suharto Receives New Envoy From New Zealand

BK1105163594 Jakarta THE INDONESIA TIMES in English 6 May 94 p 1

[Text] Jakarta—President Suharto reaffirmed that the upcoming meeting of the Asia-Pacific Economic Cooperation Forum (APEC) leaders is important for maintaining and enhancing regional cooperation.

In a speech delivered after receiving the credentials of New Zealander Ambassador to Indonesia Timothy Groser here at the Merdeka Palace Thursday, President Suharto expressed his appreciation to New Zealand, which has taken an active role in the region through the ASEAN-New Zealand cooperation forum and the APEC forum.

The six member countries of ASEAN in cooperation with the Asia-Pacific countries have made an effort to maintain regional stability and improve the standard of living, he added.

He also expressed his appreciation to the New Zealand Government for supporting Indonesia's move to become a non-permanent member of the UN Security Council.

President Suharto also welcomed the planned visit of New Zealand Prime Minister James Bolger to Indonesia this month, saying he hoped the forthcoming visit would be beneficial for both countries in enhancing bilateral cooperation as well as giving them an opportunity to discuss a number of international issues.

In his speech, Suharto said the end of the Cold War and the East-West dispute has given the world an opportunity to consolidate economically and politically.

He also stated that relations and cooperation between nations could no longer be based on the old pattern of "donor and recipient."

"Relations between nations should be based on mutual responsibility, coexistence, mutual benefit, and respect for national sovereignty," he said.

On the occasion, President Suharto also received credentials from the Australian ambassador to Indonesia, Richard Demel, and from the representative of the European Commission to Indonesia, Klaus Peter Schmallenbach.

Impact of Economic Globalization Evaluated

BK1005101694 Jakarta KOMPAS in Indonesian 29 Apr 94 p 4

[Editorial: "Interest Rates, Stagnant Credit, and Foreign Investors"]

[Text] It is expected that the annual interest rates for loans in Indonesia, currently around 16-18 percent, will soar with the recent rise in short-term U.S. interest rates from 3.5 percent to 3.75 percent. The current annual interest rate of 11-14 percent for savings will also rise by 0.5 percent. This is absolutely unavoidable. Singapore and Hong Kong, among other nations, have also raised their interest rates on loans.

Even though they are considered high nominally, Indonesia's rates are among the lowest if you take into account inflation (based on the evaluation of bankers as well as consumer index prices) and foreign interest rates on loans.

An increase would definitely impose a heavier burden on economic sectors that acquire loans from foreign banks, because such loans would have to be repaid at higher interest rates. This would not, however, create upheaval in the country's monetary sector or in its macroeconomy. On the other hand, should interest rates on foreign loans remain as they are, an economic predicament will arise. There would be, among other things, capital flight to other countries.

As such, a rise in interest rates on foreign loans by the banking sector is not considered a major issue that could agitate Indonesia's economy. The major problem, if there are any within the banking sector, would only relate to the issues of loans and stagnant credit.

These issues are currently negating the country's economic and physical development. Such problems are our own domestic issue.

The globalization of the economy, information, and telecommunications has brought problems to Indonesia's banking sector with regard to loans and stagnant credit as well as investors and potential foreign investors who are interested in coming to Indonesia.

The government is continuously trying to solve major problems. Solving major problems can be time-consuming. We are fortunate because foreign and other potential investors still trust our officials' credibility, capability, and monetary policies in trying to overcome major problems.

They are still making careful observations and adopting a wait-and-see [preceding three words in English] attitude as to what steps the government will take in its efforts to solve the problems. The terms "credit policies" and "loans based on notes," which are circulating among them, indicate what approaches they would like to see toward these problems before committing to any investments in Indonesia.

What do we need with their approaches when such matters are our domestic concern? In the current era of globalization—and even more so in the future—there will be no line drawn between domestic and global concerns. In fact, it will come as no surprise if domestic issues are always taken into consideration.

Foreign investors and potential investors are important to Indonesia, and they are part of the global economy. Economic transactions between investors and Indonesia are based on mutual benefit (win-win situation) [preceding three words in English] and will no longer be based on a presumption of winners and losers.

In the eyes of foreign investors, Indonesia could lose as a result of problems arising from the acquisition of foreign loans and the stagnant credit faced by banks, which in turn could spur foreign investors to reconsider making investments in the country.

Indonesia needs foreign investors, whether it is direct investment in industrial development or in the country's share or capital markets. Instability will definitely send investors flocking to China, India, Thailand, Malaysia, and even the Philippines.

Within the context of international economic globalization, no nation can determine on its own what steps it should take. Our problem is how to coordinate Indonesian interests with those of other countries. In the process of economic globalization, we should only acquire through compromise, trade transactions, and investment what belongs to us, while others should only take what belongs to them.

Once again, in connection with the problem of foreign loans and stagnant credit within our economy, we suggest that in this era of economic globalization these problems should not be solved according to our own terms.

Jailed Resistance Leader Gusmao Reelected

LD0905180694 Lisbon RDP Antena 1 Radio Network in Portuguese 1600 GMT 9 May 94

[Text] Xanana Gusmao has returned to the leadership of the Timorese resistance, according to the Lusa news agency. He is the leader, even though he is jailed. Luis Nascimento reports.

[Nascimento] This is how the document reelecting Xanana Gusmao ends: on the mountains of the Maubere [Timorese] motherland, on 23 March. The document is signed by commander Konis Santana and Laren Sabalaio, the secretary of the resistance's clandestine front. It is a solemn declaration that almost ignores the fact that Gusmao is behind bars. Ramos Horta [resistance leader abroad], told Lusa that he welcomed this symbolic reelection because it is justified by the current political situation. Xanana had been deposed by his comrades after his arrest. Ma Huno replaced him but was himself captured shortly thereafter. The resistance

said that it had deposed Xanana because it did not want to create any problems for him before and after his trial. This reflection points to the idea that Xanana might be seen as the new Nelson Mandela of the 90's—a human rights activist jailed by a ferocious dictatorship.

*** Megawati Urges PDI Unity for 1997 Election**

94SE0110C Jakarta KOMPAS in Indonesian 29 Mar 94 p 18

[Text] Megawati Sukarnoputri, general chairwoman of the PDI [Indonesian Democratic Party] DPP [Central Executive Council] says that the 1997 election is a moment that must be seized. If not, the PDI will have to wait another 10 to 15 years to become great. One prerequisite for taking advantage of the moment is maintenance of cohesiveness in the party organization.

Megawati made this statement Sunday, 27 March, when she held a gathering for PDI members at Blitar to mark the end of the fasting month. Present at the program were PDI DPP Chairmen Suparlan and Mangara Siahaan, Deputy Secretary-General Dr. Syafei Ali Gumai, Chairman of the East Java PDI DPD [Regional Executive Council] Latief Pudjosakti, and all PDI DPC [branch executive council] chairmen from throughout East Java.

According to Mega, the opportunity can be seized if the PDI is unified and cohesive, and not confused and quarrelsome. "What is the use of electing me to be general chairwoman if you are always quarrelsome? The PDI is not going to become great if its members and leaders are always quarreling. Is that what is to be handed down to our younger generation?" she asked.

Mega said that in handling the emergency situation in Surabaya, she tried not to be drawn into a confused and quarrelsome situation. She followed the situation with patience and firmness. "If I had not been patient and firm, I do not know what would have become of the PDI. Therefore, your strong support for me as general chairwoman of the PDI DPP must once more be demonstrated by eliminating all confusion and quarreling from the PDI organization," she asserted.

However, Mega continued, the greatness of the PDI does not depend only on the top central leadership.

*** Open Succession Process and Procedures Urged**

94SE0110A Jakarta KOMPAS in Indonesian 26 Mar 94 pp 1, 18

[Text] The people want the government to be more transparent in explaining succession processes and procedures, especially regarding 1998, so that the succession that is to take place will be truly constitutional and in accordance with the overall expectations of the people. Therefore, the legislative branch is asked to give immediate attention to regulations on general elections and the MPR [People's Consultative Assembly] SU [General Session], including the succession issue.

Prof. Dawam Rahardjo said this Friday, 25 March, in Jakarta in reply to a KOMPAS question. Meanwhile, Dr. Albert Hasibuan, member of the DPR [Parliament] from the FKP [Functional Group Faction], said in a separate interview that the mention of the succession issue by the chief of state is a sign that the issue needs to be discussed extensively. "This clearly was an effort by the chief of state to raise the political maturity of the Indonesian people," said Albert Hasibuan.

Dawam Rahardjo is of the opinion that several matters actually are hidden behind the expanding issue of succession. First, there is the question of certainty as to whether Pak Harto [President Suharto] will be prepared to be president or not. If not, he said, there is the possibility of many political statements before the next MPR SU.

Second, Dawam continued, is the succession process itself. Until now, this matter has appeared quite closed, such as, for example, with regard to presidential nominations. In the future, this matter must be made more transparent, so that people will know exactly whether a presidential candidate may campaign.

"Up to now, what has happened has not been clear. Several days after the MPR SU, a presidential candidate emerges. Is that good for our country? Such a method implies that the presidency is decided only by certain groups. Although the MPR makes the decision, the people should participate in giving views on the candidates," Dawam said emphatically.

President's Statement

Touching on the president's recent explanations of succession, which he gave seven times, both Dawam and Albert Hasibuan felt it was a positive matter. The explanations were a sign from the chief of state that the time has come to discuss succession extensively and also an indication from the chief of state that he wants to increase the political maturity of the Indonesian people.

According to Hasibuan, open discussion of the succession issue is an indication that democracy is developing, because one of the essences of democracy is freedom of discussion and expression of opinion, including discussion of political succession.

Hasibuan sees the chief of state's statements on succession as not only an indication of political maturity and the existence of a democratic process, but also an effort to prevent the political unrest that usually occurs in some countries when political succession takes place. "I view the statements as a lesson from history, which often depicts political succession as accompanied by unrest," he said.

Nevertheless, Dawam felt the president's repeated statements still did not appear very clear, because it turns out that they have been interpreted in various ways. Dawam feels that there are specific intentions behind the expanding discussion of succession. "There are those

who want the next president to be a new person. Thus, there appears in these developments a desire to conduct a process of regeneration," Dawam explained.

In connection with that, he continued, in order to face the new era the government should ensure that people begin to speak. If there are discussions on succession, the government should provide direction so that they are carried on in even greater detail. They should not be as in the past, when discussions were general and felt to be unclear. Many people still do not speak frankly. "The point is, there must be transparency," he asserted.

No Taboos

In this context, Hasibuan said, a discussion of succession requires that objectivity and rationality be important matters in political life. This means that all political arguments, deliberations, and interpretations must be based on principles of rationality and objectivity. The element of rationality, based on Pancasila [ideology of the Indonesian state] and the 1945 Constitution, must be developed.

With this in mind, Hasibuan said, there are automatically no political areas that are sacred or taboo. Therefore, succession needs to be discussed. "Although it may have been taboo in the past, it is not taboo now and needs to be discussed," he said.

Hasibuan said further that discussion of succession must be oriented toward creation of political stability. "Thus, we cannot make talk of discussion taboo," he said. This means that a rational and objective discussion of succession encourages the view that leaders may come and go, but institutions continue. "That is political succession. Leaders come and go because of succession, but institutions continue," he said.

Rational and objective political succession, Hasibuan said, encourages the choice of leaders when it is time. "We will discuss the criteria for leadership. 'The right leader, at the right place, at the right time.' Our rationale will be to select the one who is suited to be a leader," he said.

A similar thought was expressed by Dawam, who feels that in the future the people expect improvements in succession processes and procedures, including the preparation of cadres.

"A candidate should not be prepared by only one group, which also may be a small one. That is not what the people want. The people want a much more extensive process of political participation," Dawam asserted.

Political Culture

Meanwhile, Hotman M. Siahaan, lecturer at the Sociology and Political Science Faculty of Airlangga University, Surabaya, told KOMPAS that sociopolitical organizations need to anticipate the succession issue by improving the political culture, because the operation of

the constitutional mechanism of succession will be much affected by the objective conditions of the political culture.

If succession is expected to be democratic, efforts to renew the political culture must begin now, so that when the moment of succession comes, the democratic foundation will be strong. According to Hotman, a tradition of democracy and openness and a rational, objective attitude in political life do not yet have strong roots in the political culture in Indonesia. Remnants of feudal and aristocratic culture and of thinking based on primordial emotions still strongly color the political culture in Indonesia.

The result is, when the succession issue—which basically is an essential and strategic matter in the life of a nation and state—emerges, it is considered strange and frightening.

In this context, Hotman said, beginning now it is the responsibility of the sociopolitical organizations to begin developing cultural aspects: how to select the people and how the mechanism can be operated honestly, objectively, and openly.

* Islamic Center Planned in South Sulawesi

94SE0104A Jakarta *BISNIS INDONESIA* in
Indonesian 5 Mar 94 p 16

[Text] An Islamic Center (Al Markaz Al Islami) to accommodate Islamic community activities in the fields of religion, education, health, and social and cultural affairs will shortly be built in the middle of the city of Ujungpandang, South Sulawesi.

The concept for the construction of an Islamic Center, which was originally developed in the holy city of Mekkah, has been positively received by a number of cabinet ministers, deputy cabinet ministers, and community leaders, who have expressed their willingness to make this idea a reality. This was stated by retired Gen M. Jusuf.

At the program for opening the Muslim month of fasting in Jakarta on 3 March the deputy chairman of BAPEKA [Financial Inspection Board] said that the Islamic Center is intended to help the government to train Indonesians to be healthy and well educated and to believe in God.

The Islamic Center will stand on a nine hectare piece of ground which formerly was part of the campus of Hasanuddin University. General Jusuf said that a mosque will be built at the Islamic Center to accommodate 10,000 of the faithful as well as a meeting hall with a capacity of 5,000 people.

As quoted by ANTARA news agency, Jusuf added that in addition a building for Islamic educational programs will be constructed, ranging from kindergarten through SLTA [senior technical high school]. It will be equipped

with a library, a laboratory, and a polyclinic. For students who come from outside the city of Ujungpandang dormitories will be built for both boys and girls.

A foundation to manage the Islamic Center has already been established. A number of cabinet ministers and deputy ministers, in their private capacities, have expressed their willingness to sit on the executive council of the foundation.

They are: Azwar Anas (coordinating minister for the people's welfare), Ginandjar Kartasasmita (minister of state for national development planning and also chairman of BAPPENAS—the National 373 Development Planning Board), R. M. Yogi Suardi Memet (minister of home affairs), Edi Sudrajat (minister of defense and security), Tunky Ariwibowo (minister of industry), Mar'ie Muhammad (minister of finance), Dr Tarmizi Taher (minister of religious affairs), Doctor Sujudi (minister of health), Radinal Mochtar (minister of public works), and Abdul Latief (minister of manpower).

Other figures who have expressed their willingness to take part in this activity are Gen Feisal Tanjung (commander of the Indonesian armed forces), Gen Wismoyo Arismunandar (Army chief of staff), and Dr Nurcholis Madjid. Meanwhile, Dr Munawir Sadzali (deputy minister of home affairs) has stated that he is willing to take part in this project.

Jusuf declared that the Islamic Center which is to be constructed will belong to the religious community and especially to the Islamic community. Therefore, he invited the Islamic community to complete its construction successfully.

Aburizal Bakrie, general chairman of KADIN [Indonesian Chamber of Commerce and Industry], led a group of businessmen who attended the meeting, including H. Sudwikatmono, H. Ibrahim Risjad, H. Yusuf Kalla, Fadel Muhammad, Tantri Abeng, Prayogo Pangestu, and Henri Pribadi. They also expressed their willingness to help in making this plan a reality.

Mar'ie Muhammad (minister of finance), who spoke in his private capacity, said that the objective of constructing the Islamic Center is not only to build a mosque and school. This project reaches far into the future, involving national development and the national character.

Meanwhile, Nurcholis Madjid, a young Islamic leader who also spoke at the meeting, said that the construction of the Islamic Center is an appropriate objective. This activity is a forward step in anticipating the needs of the Islamic community during the coming decades.

Laos

Border Transit Memorandum Signed With Thailand

BK1005151394 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 10 May 94

[Text] Technical delegations from the Lao People's Democratic Republic [LPDR] Ministry of Communications, Transport, Posts, and Construction and the Kingdom of Thailand's Ministry of Communications held a consultative meeting at the Mekong Hotel in the capital, Vientiane, from 5-7 May.

After the meeting, the two sides officially signed a memorandum on cooperation in passenger and transit goods transport. Signing the memorandum for the Lao side was Himmakon Manotham, deputy minister of communications, transport, posts, and construction and head of the Lao negotiating team. The Thai side was represented by Charat Phuachuai, deputy minister of communications and head of the Thai delegation. The document was signed in the presence of Bouathong Vonglokhom, minister of communications, transport, posts, and construction; Phouthong Seng-akhom, deputy mayor of Vientiane Municipality; representatives of other concerned ministries; chiefs, deputy chiefs, and technical officials from the two ministries; representatives of state and private enterprises; and a large number of Lao and Thai reporters.

The memorandum clearly spells out regulations on cross-border transport between Laos and Thailand, the entry of Thai transport vehicles into Laos, and the opening of passenger bus services between Vientiane and Bangkok in the next two months by the Vientiane Municipal Administration and the Thai Transport Company. The two sides agreed to establish a warehouse for transit goods in Vientiane under the joint supervision of the LPDR Ministry of Communications, Transport, Posts, and Construction and the Thai Express Transport Organization. The two sides also agreed to recognize the validity of drivers licenses issued by the two countries for driving in the border provinces. Drivers travelling to areas outside the border provinces will be required to have an international drivers license.

The two sides will set up a joint committee to oversee the future implementation of these regulations based on the principles of solidarity, friendship, brotherliness, and mutual benefit.

Thongsing Thammavong Receives CPV Delegation

BK1105065794 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 11 May 94

[Text] Yesterday, Thongsing Thammavong, Political Bureau member and head of the Organizing Committee of the Lao People's Revolutionary Party [LPRP] Central Committee, received in Vientiane a courtesy call from

(Dinh Nho Cua), deputy chief of Office of the Communist Party of Vietnam [CPV] Central Committee, and his delegation, which is currently on a one-week official visit to the Lao People's Democratic Republic [LPDR].

On this occasion, Dinh Nho Cua informed Thongsing Thammavong of the results of his delegation's talks with a delegation of the Office of the LPRP Central Committee on the implementation of the cooperation between the two sides, in particular in the building of party and cadres, the consolidation of the offices, and other tasks of common interest. Thongsing Thammavong welcomed the visit of the CPV delegation and noted that the visit had brought about the further promotion and expansion of the friendship, special solidarity, and all-round cooperation between the two parties and the two countries of Laos and Vietnam. He also wished the delegation of the Office of the CPV Central Committee success in its visit to Laos.

Bui Van Thanh, ambassador extraordinary and plenipotentiary of the SRV to the LPDR, also accompanied the delegation in paying a courtesy call on Thongsing Thammavong.

Trade Talks Held With Visiting Cambodian Group

BK1205013794 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 11 May 94

[Text] A delegation from the Ministry of Trade of the Lao People's Democratic Republic [LPDR] and a delegation of the Ministry of Trade of the Kingdom of Cambodia held a meeting at the Ministry of Trade in Vientiane today. The Lao delegation was headed by Trade Minister Sompadit Volasan, while the Cambodian side was headed by Trade Minister Va Huot. The meeting was attended by all authorities concerned from both sides.

At the meeting, Trade Minister Sompadit Volasan informed the Cambodian side of the economic and trade situation in the LPDR and reviewed and assessed bilateral trade cooperation. At the same time, he also briefly discussed the content of the trade agreement discussed earlier by their technical teams. The trade minister of the Kingdom of Cambodia also informed the Lao side about their economic and trade situation and bilateral trade cooperation.

The delegation of the Ministry of Trade of the Kingdom of Cambodia arrived in Vientiane on 10 May to pay a four-day friendship visit to Laos.

Army Political Group Leaves for SRV Visit

BK1105054994 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 11 May 94

[Text] Yesterday, a delegation of the General Political Department of the Lao People's Army [LPA] led by Comrade Lieutenant General Siphon Phalikhan,

member of the Lao People's Revolutionary Party Central Committee, deputy minister of national defense, and head of the department, left Vientiane for Hanoi by a special plane of the LPA Air Force for a two-week friendship visit to the SRV. The visit is in response to an invitation of head of the General Political Department of the Vietnam People's Army [VPA].

During the visit, the delegation is scheduled to meet and exchange experiences with a delegation of the VPA General Political Department. It will also pay courtesy calls on party leaders of the National Defense Ministry and visit a number of military units and production establishments in Hanoi and certain provinces.

A ceremony was held at the National Defense Ministry to see off the delegation. Attending the ceremony were Comrade Lieutenant General Ai Souli-gnaseng, member of the party Central Committee, deputy minister of national defense, and head of the General Staff Department; and Major General Soulima Bounleut, deputy head of the Army General Political Department. Also on hand to see the delegation off at the ceremony was Comrade Colonel (Le Quang Hoa), military attache of the SRV to Laos.

Philippines

Pact With Malaysia Addresses 'Major Irritant'

BK1205102694 Manila PHILIPPINE DAILY INQUIRER in English 7 May 94 pp 1, 10

[Text] The Philippines and Malaysia agreed yesterday to issue border-crossing passes to their nationals in Mindanao and Sabah in a bid to clear a major irritant in their diplomatic relations.

Officials from the two countries also agreed to work out ways to regulate and improve border trade, curb piracy, gunrunning, drug trafficking and other crimes, and control the spread of disease and marine pollution.

The measures were drawn up during a three-day meeting of the Philippines-Malaysia Joint Committee on Border Cooperation, which ended yesterday.

Another meeting will be held by the committee in Kuala Lumpur in December to finalize details of how the regulations will be implemented, possibly by 1 January next year.

Diplomatic relations between the Philippines and Malaysia were upset with the roundup in March of almost 2,000 suspected Filipino illegal workers in Kuala Lumpur, Penang, and Labuan.

Foreign Undersecretary Rodolfo Severino, head of the Philippine panel, said special passes will be issued to those crossing the border between Southern Philippines and East Malaysia.

In a press conference, Severino said the border cooperation agreement will benefit Filipinos who are staying in

Sabah. Estimates of the number of Filipinos in the Malaysian state vary from 190,000 to 500,000.

He said entry points will be designated by both countries where the special documents for people and vessels can be secured.

Documents obtained by KYODO NEWS SERVICE showed that the Philippines and Malaysia have both designated three border areas and crossing points where entry and exit of people and vessels will be monitored.

According to a copy of the draft of minutes of the joint committee's first meeting, Manila has designated as border areas the municipality limits of the provinces of Tawi-Tawi and Sulu, and the Balabac Island group.

Malaysia, for its part, designated Sandakan, Semporna, and Tawau, an official said.

The border-crossing passes, the document said, will be issued only to Filipinos or Malaysians who have been residents of their respective border areas for at least three years preceding the date of application, or a lesser period mutually agreed upon.

It will be valid only for single entry and for 60 days from the date of issue, and for a period of stay not exceeding 30 days from entry into the border area of the other country.

Severino and his counterpart, Tan Sri Ahmad Kamil Jaafar, secretary general of Malaysia's foreign ministry, agreed that border crossing has been one of the most serious irritants facing the two countries.

"Between two neighbors, there is bound to arise both opportunities and problems with respects to any kind of human activities," Severino said.

"Some are related to the movement of people and goods and it is therefore necessary to regulate these movements."

Jaafar acknowledged that relations between the two countries have been abnormal. "But we are now putting that behind us now. We have spent too much time in the past 30 years and we must now move it to a higher plane," he said.

The joint committee will also establish border patrol, customs and immigration offices in designated entry points.

Created last 10 December during the first meeting of the Philippines-Malaysia Joint Commission, the committee is in charge of facilitating and regulating activities of people between the border.

Release of Captured Communist Leader Denied

BK1005113694 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 10 May 94

[Text] The government will not release Wilma Tiamzon despite a threat from the Communist Party of the Philippines-New People's Army-National Democratic Front to pull out of the peace talks. According to Malacanang [presidential office], there were legal grounds for Tiamzon's arrest and the law must be followed. Malacanang reiterated that it will not be blackmailed; it will not release Tiamzon just because the rebels threaten to pull out of the peace talks.

Alexander Aguirre, acting secretary of the Department of Interior and Local Government, said there are two arrest warrants for Tiamzon involving kidnapping cases:

[Begin Aguirre recording in progress, in English] ...more on kidnapping with serious illegal detention. So certainly we are abiding with due process. We are also seeing to it that she is given all the human rights. She is... [pauses] We are respecting the rights of the persons. She is now being attended to by a doctor—she is in the hospital—and if there is a need for lawyers to see her and also the others, then we'll see to it that these rights are given. [end recording]

Detention of Captured Communist Leader Continues

BK1105083794 Quezon City Radio Filipinas in English 0230 GMT 11 May 94

[Text] [Acting] Secretary Aguirre [of Department of Interior and Local Government] says the Philippine Government will continue to go after communist rebels who have standing warrants of arrest. Aguirre made this statement as he defended the National Police's continued detention of CPP-NPA [Communist Party of the Philippines-New People's Army] Secretary General Wilma Tiamzon and four others. He cited cases of kidnapping with serious illegal detention, robbery and other rebellion-related offenses as their bases for holding the five under custody. Aguirre also stressed that the arrest did not adversely affect the peace process, since the Philippine Government has not entered into any agreement to suspend any arrest, hear cases or surveillance activities with the National Democratic Front.

In a related development, doctors of Tiamzon are urging President Ramos to order her release from detention on medical and humanitarian grounds. The doctors examined Tiamzon, Tuesday morning, and recommended her immediate hospitalization. They said Tiamzon is suffering from severe uncontrolled hypertension, chronic infection of the kidney, kidney hemorrhage and bronchial asthma. They urged the president to have her transferred to the Philippine Heart Center where she can get immediate and constant medical attention.

Military Deactivates 25 Armed Civilian Units

*BK1005025494 Manila BUSINESS WORLD in English
5 May 94 p 8*

[By Sandra S. Aguinaldo]

[Text] The Armed Forces of the Philippines (AFP) has deactivated 25 companies of the controversial Citizen's Armed Forces Geographical Unit (CAFGU) for the first quarter of this year as a result of the continuing decline in strength of different rebel and terrorist groups.

According to a military report obtained by BUSINESS WORLD, CAFGU strength has been cut to 65,836 from the 67,691 militiamen in the beginning of 1994.

The AFP said the dismantling of the units, composed of civilians trained by the military to assist in the fight against communist rebels in the countryside, was another proof they are consistently gaining the upper hand in military offensives.

The CAFGU's have been tagged as notorious human rights violators, prompting several Congressmen to last year file a resolution for inquiry on the former's performance and abuses. [sentence as published] Several units were identified in the past as serving known politicians, businessmen and landlords in the provinces, even as complaints were received by various cause-oriented groups.

However, the AFP said that during the latter part of last year, it had moved for the improvement in the training and motivation of CAFGU volunteers in order to prevent similar incidents.

The AFP, in fact, said it had received no reports of human rights violations committed by soldiers and militiamen this year. Sources at Camp Aguinaldo said the decline can be attributed to the easing up of the situation in the countryside plus the training and education.

For 1994, militiamen were instructed to provide security in areas cleared by the AFP and the Philippine National Police (PNP) and to limit the conduct of combat operations.

At present, there are 956 CAFGU companies with a total strength of 65,836 deployed in 9,249 barangays [village] nationwide. More units are scheduled to be deactivated in the coming years under a plan that aims to reduce CAFGU's to zero before 1999.

The same report said the decline of the threat from the Communist Party of the Philippines and the objective of transferring the counter-insurgency responsibility to the PNP next year should further enhance the good performance of CAFGU's for the remaining months of this year.

Economic Development Defeats Insurgency in Rizal

*BK1205101394 Manila PHILIPPINE DAILY
INQUIRER in English 8 May 94 p 6*

[Text] Jala-Jala, Rizal—President Ramos yesterday said government has licked the insurgency problem, not through military warfare but through economic development.

Inaugurating a P [Philippine pesos] 4.5 billion rural development project funded by the Japanese government here, he cited this farming-fishing town as an example of how to turn a rebel-dominated area into a "vibrant, bustling community."

"Tapos na 'yung problema na 'yon, nasugpo na natin 'yon (We have overcome that problem)," the president declared, referring to the communist insurgency.

In the case of Jala-jala, he said, the government won not through the military solution but by providing livelihood programs and job opportunities to the people.

Mr. Ramos, a former Armed Forces chief of staff and later defense secretary, recalled that this area used to be "strategic" to the New People's Army.

He said this town by Laguna Lake was often used as a jump-off point because several key areas and provinces are easily accessible from here.

Having been once stationed in the area as a junior military officer, the president added he had seen how the Huk [anti-government rebel group] and later NPA [New People's Army] campaigns had turned the area into a "no man's land."

He also said this town had been isolated for so long from the rest of Rizal province and Metro Manila because of lack of concrete roads and infrastructure.

"But now, you're no longer isolated here," he told farmers and fisher folk in a speech at the newly completed rice processing complex.

The president said the rural development project, now on the second phase of implementation, has helped made this possible.

Funded by the Japan International Cooperation Agency, (JICA), the project comprises a rice processing complex, irrigation, water and power supply systems, and trunk and feeder roads.

Construction began early last year and is expected to be completed March 1995. Yesterday's ceremonies involved the turnover of some of the completed facilities and equipment.

Agrarian Reform Secretary Ernesto Garilao said Jala-jala has also become a "model agrarian reform community" through the land distribution component of the Comprehensive Agrarian Reform Program (CARP).

"The problem of skewed land ownership, which is the reason for rebellion in the area, has been addressed," he said.

From having nine landowners, he said, Jala-jala has been transformed into a town of 2,000 farmer-landowners.

For his part, Japanese Ambassador Yoshifumi Matsuda [name and title as published] said his government intends to give priority to CARP projects in extending more economic aid in the future.

In brief remarks during the turnover rights, he said his government believes CARP should be implemented "as fast as possible."

Three Thousand Winners in Local Elections Cited *BK1005064194 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 10 May 94*

[Text] Three thousand winning candidates in the recently concluded village elections have already been proclaimed by the Comelec [Commission on Elections]. These were registered by the Comelec as part of the first batch of winning candidates. They represent more than 300 of the 41,000 villages in the whole archipelago where elections were held. The proclaimed candidates include those from the southern Philippines, the Visayan islands, and the National Capital Region [Metro Manila]. On the other hand, the Comelec is suspending the proclamation of 66 candidates due to election code violations.

Thailand

Reports on U.S. Drug Probe on MP Thanong Continue

Chat Thai To Ask MP To Quit House

BK1205050694 Bangkok BANGKOK POST in English 12 May 94 p 1

[Excerpt] The Chat Thai Party committee investigating the alleged drug links of Thanong Siripichaphong is expected to recommend that party leader Banhan Sinlapa-acha ask the Nakhon Phanom MP to resign voluntarily from the House to protect the party's and Parliament's image.

Party sources said the move came after a U.S. federal grand jury indicted Mr Thanong on drug smuggling charges three years ago. The indictment was only revealed in the United States yesterday.

The sources said the Chat Thai committee headed by Sa Kao MP [Member of Parliament] Burin Hiranburana would seek a meeting with Mr Banhan today where it would ask him to request Mr Thanong's resignation rather than expel him from the party.

"The committee believes Mr Thanong should resign to show political spirit by protecting the image of the party and Parliament," said one of the sources.

Mr Burin yesterday confirmed the proposal but said this would only be done if the evidence against Mr Thanong is credible.

He said the party's findings would be based on the available documentary evidence, press reports, wire agency reports and information from government agencies.

He said Mr Banhan would sign a letter asking the Prime Minister to order relevant government agencies to cooperate with the party by making available any information. The agencies include the Office of the Narcotics Control Board and Police Narcotics Suppression Bureau.

Mr Thanong is to testify before the party committee this morning at 10.00. The five-man committee will also seek meetings with drug suppression officials to obtain more information and evidence, said Mr Burin.

He said the House of Representatives Affairs Committee had already given the party panel permission to attend its meetings and to use its information.

"I think the Chat Thai panel will be able to complete its probe within the 15-day limit given by the party," he said.

The panel is expected to prepare a summarized report by May 20 for submission to Mr Banhan.

Panel member Man Patthanotai will look into the legal implications and problems connected with the case.

Mr Burin said the United States was only proceeding with civil action against Mr Thanong, but criminal action should also be taken if it has information linking him to marijuana smuggling.

"Senior party figures will decide what to do once we finish our probe, but one option is that Mr Thanong could review his position in an effort to save the image of the party and Parliament," he said.

Party sources said Mr Banhan wanted to act responsibly but has chosen not to launch an investigation by saying the matter occurred before Mr Thanong joined Chat Thai.

One source said Chat Thai would take real action against Mr Thanong and would not let things drag on or try to defend him because the allegation is causing severe damage to the party. [passage omitted]

Government Action Urged

BK1205065394 Bangkok THE NATION in English 12 May 94 p A6

[Editorial: "'Sitting Duck' Becoming Troublesome for Government?"]

[Text] The leaders of the Chuan coalition should have been dancing with joy after a drug scandal blew up in the

face of the opposition faction. An immediate effect was that they have been given a welcome respite from an opposition move to call for a no-confidence debate over the unimpressive performance of the administration.

As the mystery shrouding the past deeds of Chat Thai MP Thanong Siriprichaphong is being unraveled with more embarrassing evidence involving his alleged role in marijuana consignments to the U.S., Thai authorities appear reluctant to be put on the spot with the lawmaker. A nagging question from the public is "why so?"

Thanong, proprietor of the Little Duck Group of hotel and entertainment chains, has become an ugly duckling for Chat Thai Party and the whole opposition block which have been dismayed by a sudden reversal of fortune. Newly-elected Chat Thai leader Banhan Sinlapa-acha must have been particularly upset by the jinx which had further dimmed his chances of being in the government by whatever means he deems possible.

The scandal has made all senior officials in law enforcement and drug suppression look very foolish. First they said they had not been aware of Thanong's path to his current vast fortune. Yielding to more pressing questions, they conceded that they had quite substantial information about the MP's alleged role in drug trafficking.

The public is frustrated on many points after hearing hasty explanations from Thanong as well as government authorities. Thanong categorically denied on May 6 that he had no idea about the assets seized by U.S. authorities, but conceded on Tuesday that he had indeed owned the property and a limousine in California. The exposed falsehood was sufficient to wash away whatever innocence he had claimed.

Any prosecutor having Thanong on the defense stand and with that kind of admission would certainly be rubbing his hands in glee. But wait a minute. What we heard later from government officials was perplexing. From all comments, it boiled down to something like this: they weren't quite sure whether legal actions could be taken against the lawmaker who is being accused by U.S. authorities of trafficking in narcotics.

"There is not yet any evidence to implicate him," they said. This is really funny. They made the statement even before there was any attempt to start an investigation. The Police Department is silent. The Interior Ministry officials are distancing themselves from the "sitting duck" who is now in the line of fire of U.S. legal potshots.

The Narcotics Suppression Unit has not displayed any enthusiasm to launch a probe, despite a forced admission that there was substantial record of suspected illegal activities. The Office of the Attorney General did not seem interested in finding out whether there are grounds for legal actions.

We wonder why, because the whole mess is making a mockery of our creaking legal machinery.

But more revealing yesterday was an explanation from American authorities that there had been a plan to arrest the MP if he showed up in the United States. This should be dreadful enough for Thanong to change his bravado that he intended to prove his innocence in any U.S. court of law. He will be lucky enough, from now on, to stay away from the long arm of the American law whenever he travels outside Thailand.

There are too many fine points involved. But there are things to be done. Thanong must discontinue his House membership to reduce the negative image on the institution. The government must start investigations right away on this explosive scandal. If not, it must explain to the public why the MP should be exempted from due process of the law to clear his name.

If the government is unmoved, it would not be a surprise to see Chat Thai and other opposition MPs from Chat Phathana and Social Action parties come up soon with an audacious demand that Prime Minister Chuan resign to show his responsibility, if Thanong refuses to quit.

Knowing full well the extent of their political scruples, we believe that they certainly can go that far.

Comment by Legal Experts

BK1205065194 Bangkok THE NATION in English 12 May 94 pp A1, A4

[By Ophat Bunlom]

[Text] The Thai government should honor its extradition treaty with the United States and send Nakhon Phanom MP Thanong Siriprichaphong to stand trial in that country where he is accused of having smuggled in 45 tones of marijuana between 1973 and 1987, according to a legal expert.

Phanat Thatsaniyanon, a member of the government's mutual legal assistance committee which handles the legal aspects of extraditions, said the Thai government should comply with a request by a U.S. court to have Thanong extradited to answer to drug smuggling charges although under the Thai-U.S. treaty, the Thai government can use its discretion.

"If the Thai government decides not to extradite Thanong to stand trial in the United States, it must be able to explain why. The Thai government cannot just cite 'national pride' for not honoring the treaty," Phanat said.

"The international community has come a long way toward a borderless world, with increasing cooperation among countries, and Thailand should not hold back by stubbornly adhering to false national pride," he said.

Phanat said the U.S. government had complied with requests by Thailand for the extradition of Thai citizens,

including the case of So Thanawisut, who fled to the United States after being charged with masterminding a murder in Thailand several years ago.

He said the U.S. government had consistently honored the extradition treaty because it attached great importance to bilateral cooperation in this area.

Phanat said in a Thai-U.S. extradition treaty ratified some 60 years ago, Thailand had made it a point not to send its own citizens to stand trial in the United States under any circumstance because of national pride. The agreement has since been replaced by the Thai-U.S. extradition treaty of 1990, which allows the Thai government to use its discretion on a case-by-case basis.

Under normal procedures, the U.S. government will send an extradition request to the Thai Foreign Ministry which in turn will pass it on to the Police Department. The Police Department will ask the Office of the Attorney General to seek a court order for the extradition if it decides that the request should be complied with.

"The whole business depends on the Thai government. If the Thai government decides not to comply with the request, then there will be no extradition," Phanat said.

Retired Supreme Court judge Sansoen Kraichitti, also a member of the mutual legal assistance committee, said a person extradited under the treaty would be punished only after standing trial in the other country and being found guilty of the alleged crime.

Sansoen also said the Thai-U.S. extradition treaty did not make it compulsory for the Thai government to comply with all extradition requests made by the U.S. government.

He said those charged with drug trafficking and extradited under the treaty must have allegedly committed the crime after 1991 because a provision in the Thai anti-drug law that allows alleged offenders to be tried in foreign courts was introduced in that year.

Chaikasem Nitisiri, deputy special prosecutor in charge of international legal assistance on criminal matters, said Thailand's Office of the Attorney General had not received a formal request from U.S. law enforcement officials regarding Thanong's extradition.

He ruled out the possibility of Thanong, a Chat Thai MP, being extradited to the United States while Parliament is in session.

"Even if we received an extradition request now, we would not be able to send Khun Thanong to the U.S. at this time, while Parliament is in session," Chaikasem said.

MPs have immunity from legal prosecution while Parliament is in session.

Paper Urges Speedy Investigation

BK1205031794 Bangkok THAI RAT in Thai 10 May 94 p 3

[Editorial: "For the Thai National Assembly's Dignity"]

[Text] The Chat Thai Party has done the right thing in appointing a committee to investigate the U.S. drug trafficking charge against one of its MP's, Thanon Siriprichaphong. Thanon is accused of having been involved in exporting huge quantities of marijuana into the United States. The US Information Service [USIS], the U.S. Government's mouthpiece in Thailand, has confirmed the seizure of the MP's property in the United States.

Likewise, Foreign Minister Squadron Leader Prasong Sunsiri has also done the right thing when he assured the U.S. ambassador to Thailand that the Thai Government, dutybound to defend Thailand's integrity and interest, will fully cooperate with the United States in handling the case under the country's legal system.

Earlier, several opposition leaders pointed out that the controversy is a political ploy to discredit the opposition Chat Thai Party, while many others noted that the drug charge was a personal affair with no effect on the House of Representatives or Thailand. This opinion is correct only to a certain extent.

Since the accused person is a member of the honorable House of Representatives and a public figure, his action does have repercussions on the institution he belongs to and on the country as a whole. This is a criminal case brought to court by a foreign government and the accused person's property has already been confiscated. There is no way to keep the matter quiet.

We have learned from the new USIS release that the U.S. Embassy notified the Thai Government about the charge on 12 January 1993. It has been more than a year now and all senior figures in the government and officials concerned earlier said that they knew nothing about the matter.

The accused MP himself told mass media representatives that he had not received any formal charge from the United States. Hence, people wonder about the efficiency of Thai law enforcement. How can the agencies in charge of narcotics suppression with their close touch with the United States be unaware of the incident?

We appeal to all parties concerned, be it the government, House of Representative, or Chat Thai Party, to expedite the investigation into the charge and publicize the clear facts to preserve the prestige of the Thai House of Representatives and the good reputation of the country. Do not create a negative image for the country's legal system, law enforcement, and judicial procedure in the eyes of foreigners.

House Urged To Clarify Drug Charge

BK1105142694 Bangkok MATICHON in Thai 11 May 94 p 2

[Editorial: "MP's and Marijuana"]

[Text] No one should wonder about the spreading of the rumor on the confiscation of property in the United States of the MP who has been accused of exporting marijuana to that country. Neither is it correct to think that the whole issue is a scheme to discredit any political party. The very question that we should raise now is why the story have been kept under wraps for at least a year. The U.S. had attempted to get in touch with the accused MP through the Thai Government since January last year. Nothing was leaked to the general public.

In practice, the Thai Government, especially the agencies and ministers concerned, should expeditiously reciprocate the request for cooperation in the suppression of narcotics trafficking from any foreign government. However, this case had been covered up for sometime probably because it involved politicians and influential connections.

Official confirmation from the U.S. embassy about the seizure of the MP's property in the U.S. has led many to believe that there could be many Thai MP's engaging in the illicit business. A research conducted six to seven years ago also revealed that as many as eight MP's were involved in the marijuana trade. Up to this point, one will find it rather difficult to turn a blind eye to the drug scandal.

Moreover, several reports following the outbreak of the scandal on international drug trafficking connections reveal that government officials, politicians, and local businessmen have been involved in exporting marijuana to the U.S. The government's suppression operations have so far been aimed only at small planters and traffickers, while the real chieftains of the criminal syndicates are left undisturbed to continue with their lucrative trade until the shameful fact is exposed by a foreign country.

Therefore, it is imperative to call on the House of Representatives to make serious endeavors to quickly finalize the investigations into the marijuana trafficking charge against the MP. The House of Representatives must defend its reputation. This is not the personal affair of the accused MP because it can also have negative effects on the entire legislative institution. Not only the House of Representatives, the Senate should also try to do something as a contribution and by so doing, more people will come to realize its significance.

Lighter Firm Faces Dumping Charge in U.S.

BK1105063594 Bangkok BANGKOK POST in English 11 May 94 p 24

[Text] Bic Corporation of the United States has accused a Thai company, Thai Merry, of dumping disposable

cigarette lighters on the US market and has asked Washington to impose punitive import duty of 176 percent.

In a petition filed on Monday with the International Trade Commission and the US Commerce Department Bic also asked for a 346 percent duty on Chinese-made lighters.

Neither federal agency had any immediate comment.

"As the only remaining US manufacturer of disposable lighters, Bic is taking this action to protect our competitive position so that we can continue to provide consumers with made-in-the-USA quality and value," said Bic president Ray Winter.

In Bangkok, a Foreign Trade Department source said the department had not yet received the information about the dumping investigation in the United States because dumping involves the private sector.

A source from Thai Merry, the major exporter of Thai disposable lighters, said the company had not been informed about the case but believed it did not dump the products even though the US is the major importer of its products.

Thai Merry already faces an anti-dumping duty collection of 14.1 percent on the value of lighters exported to the European Union after the EU Commission found that the Thai products were priced in a way that caused damage to local industries.

The EU also investigated dumping of disposable lighters from China and announced a duty of 16.9 percent.

Tax Exemption Agreement Signed With Saudi Arabia

BK1105090794 Bangkok Radio Thailand Network in Thai 0530 GMT 11 May 94

[Text] According to the Thai Information Office in Riyadh, the Kingdom of Thailand and the Kingdom of Saudi Arabia today signed an agreement on reciprocal exemption of taxes on activities of air transport enterprises of the two countries. The signing took place at the Finance Ministry office in Jeddah this morning at 1100.

Representing Thailand at the signing ceremony was Deputy Foreign Minister Surin Phitsuwan, while Saudi Arabia was represented by (Abdul Aziz A. L. Nasdudtra), deputy minister of finance and national economy.

The main content of the agreement is the exemption of taxes on air transport activities of the national aviation companies of Thailand and Saudi Arabia.

Banned Wood Smuggling From KR Area Continues

*BK1105084294 Bangkok BANGKOK POST in English
11 May 94 p 7*

[Text] Some Thai timber merchants have resorted to smuggling and paying kickbacks to corrupt officials to bring Cambodian logs in the form of processed wood across the border in direct violation of UN trade sanctions against the Khmer Rouge [KR].

The boom in timber smuggling has also financially benefited several police, soldiers, customs and forestry officials who man roadblocks from the Cambodian border to Bangkok.

Chat Phatthana Party MP Thanit Traiwut of Trat, in an interview with the BANGKOK POST at the border here yesterday, said Thai timber traders had invested heavily in the logging business in Cambodia and they had managed to bring only a small fraction of their timber out of Cambodia before the March 31 deadline expired.

"A large quantity of logs remain in Cambodia. So local businessmen have to resort to smuggling to recoup their investment otherwise the logs will be left to rot," said the MP, who said he quit the timber business only three months ago.

Tens of thousands of felled logs have been left in Khmer Rouge-controlled territory in the Samraong area in Battambang alone, according to Lok Nong, a Khmer Rouge cadre in Samrod.

One of the main problems discouraging Thai timber merchants from engaging in straight and legal dealings with Phnom Penh is the issuance of a new regulation requiring a Certificate of Origin to export Cambodian timber.

Mr Thanit explained that to obtain the CO is a complicated process and also involves under-the-table money payments. A normal fee of US\$35 is charged for a cubic metre of timber to be exported, but merchants sometimes have to pay up to US\$60 if all the expenses to obtain a CO are added up.

"With the CO, the Thai merchant must notify the Thai customs which will then pass on the document to the Finance Ministry, the Foreign Ministry the Thai Embassy in Phnom Penh, the Cambodian Foreign Ministry and finally to the Forestry Department of Cambodia which has to verify the CO," said Mr Thanit.

"The whole process may take up to three months and, by that time, the CO's term has almost expired and a new CO would have to be obtained."

But even with the CO being verified the merchants will still have to pay taxes to the Khmer Rouge guerrillas because the logs are in guerrilla-controlled territories, said another timber merchant.

"That means merchants will pay twice for each lot of timber to the Phnom Penh government and to the Khmer Rouge," he said.

But the money and trouble saved by not obtaining the CO from Phnom Penh the merchants have to hand out in bribes to a host of Thai officials, namely the police, troops, customs and forestry officials, who man the various roadblocks along the roads leading from the Cambodian border to the sawmills in Thailand. The longer the trip for each truckload of timber, the higher the payment in bribes.

"Sometimes, a temporary roadblock just pops up with the officials demanding money for convenient passage in addition to the permanent checkpoints," said the merchant who declined to be named.

The timber merchant claimed he had to pay at least 50,000 baht to all the checkpoints for each truckload of processed wood.

"We have to make arrangements with all the officials involved otherwise there will be problems," he said, adding that if this is not done in advance, the timber will run the risk of being impounded as contraband.

And in that case, he said, some merchants had to pay as much as 300,000 baht "ransom" under the table to get back the truck as well as the cargo.

Despite the small amount of royalties levied by Phnom Penh for the timber export, most timber merchants said they still prefer smuggling because they have to move the logs across the border as fast as possible otherwise they will rot.

According to Mr Thanit, no less than 100 timber-laden trucks have been seized by officials for overloading and smuggling.

The Chat Phatthana MP said he had received complaints from many merchants about the alleged extortion.

But despite the "extortion" from the authorities, several merchants have sought—and made—deals with the Khmer Rouge.

"We care very much about the honesty and safety of the Thai merchants who invested their money in our territories," Lok Nong told the Bangkok Post.

He said he felt more comfortable dealing with Thai merchants than with European, Singaporean or Japanese traders.

Lok Nong claimed that only 20 per cent of forests in Cambodia were cut. He said the committee had set some rules about logging and only mature trees are to be felled.

He admitted that logging and gem mining were still the two major sources of income for the Khmer Rouge. He complained that after the UN-monitored general elections in Cambodia supplies to the guerrillas had been cut off.

He gave his personal assurance to Thai loggers that felled trees in guerrilla-controlled territory would not be lost.

Tourism Cooperation Agreement Signed With Laos

BK1105071094 Bangkok Radio Thailand Network in Thai 0000 GMT 11 May 94

[Text] An agreement on a bilateral tourism cooperation plan between the Lao People's Democratic Republic [LPDR] and the Tourism Authority of Thailand [TAT] was signed at the Sheraton Grand Laguna Beach Resort Hotel in Phuket Province yesterday.

Regarding the cooperation plan, TAT Governor Thammanun Prachuapmo said that it will deal mostly with what Thailand will give to Laos, especially in the area of cooperation to prevent adverse affects from tourism—which Thailand has experienced—from occurring in Laos.

Phonsouk Khounasombat, director of the National Tourism Organization of the LPDR, reported that tourism in Laos has gradually expanded since the time the country introduced an open door policy to tourism in 1989. In the process, more conveniences have been provided for tourists. In particular, laws and rules and regulations have been revised to benefit visitors more than before. Four more international border checkpoints have been opened. They are the checkpoints bordering China in Bokeo and Boten; the Souvan checkpoint linking Thailand's Mukdahan Province; and the Savan-nakhet border checkpoint linking Vietnam. Moreover, new regulations have been made to make it possible for tourists to receive visas either at the airport or at an international border checkpoint.

Council Initiates Environmental Projects

BK1105084094 Bangkok BANGKOK POST in English 11 May 94 p 16

[Excerpt] The Thailand Business Council for Sustainable Development, comprising 50 leading company members, has initiated five projects aimed at protecting and saving the country's environment.

The council was established six months ago to address environmental issues and is chaired by former Prime Minister Anan Panyarachun.

The five projects are: pesticide-free agricultural villages, renovation of Khlong Lot, study of lignite and its impact on the environment, environmental conservation circle (ECC), and green labelling.

The council's objectives are: to provide reliable information and guidance to distinguish genuine environment-friendly products; to encourage the production of green products using clean technologies; to promote energy conservation and recycling; to promote the establishment of a third-party labeller who can offer an unbiased opinion to back up marketing claims, to establish more

demanding standards for companies to make environmentally sound products; and to promote environmental awareness among manufacturers and consumers.

Chaiyot Bunyakitdi, director of the Thailand Environment Institute's business and environment programme, said the green labelling project will be significant in helping identify projects that have proven to be less destructive to the environment. To date, 19 member firms have agreed to participate in the labelling project.

Environment-friendly products have achieved international popularity among environment-conscious consumers.

Mr Chaiyot said the council will vigorously promote this project and hopes to establish guidelines to assist firms in their marketing claims, often not entirely accurate, of products less damaging to the environment.

The Thailand Business Council for Sustainable Development (TBCSD) has proposed establishing a committee, to be chaired by Permanent Secretary for Industry Siwawong Changkhasiri, on green labelling guidelines and comprising representatives from the Federation of Thai Industries, Board of Trade, Thai Industrial Standards Institute, Office of Consumer Protection, Environmental Engineering Association of Thailand, Press Association, Public Relations Confederation of Thailand, Marketing Association of Thailand and no more than 25 representatives from TBCSD. [passage omitted]

Yunnan Governor Arrives for Observation Tour

BK1205091494 Bangkok XING XIAN RIBAO in Chinese 12 May 94 p 6

[Text] A 22-member delegation led by Yunnan Governor He Zhiqiang arrived in Bangkok from Phnom Penh yesterday for a 6-day observation tour of Thailand. The visit is aimed at promoting trade, investment, and tourism cooperation between Yunnan and Thailand.

The delegation includes Kunming City Mayor Wang Yanchen and 15 businessmen. They are scheduled to call on Prime Minister Chuan Likphai today and to hold talks with Commerce minister Uthai Phimchaichon, Interior Minister General Chawalit Yongchaiyut, and senior industry and communications officials during their visit. He Zhiqiang and his delegation will also preside over an investment seminar and visit the Stock Exchange of Thailand and trade complexes.

At present, Yunnan Province's foreign trade is mainly conducted through its border with Burma, Vietnam, and Laos. The Yunnan governor's visit to Thailand and Cambodia is aimed at expanding and strengthening trade cooperation and learning about the investment atmosphere of these countries.

Yunnan Province has joined Thailand, Burma, and Laos in carrying out the quadrangle economic cooperation

zone project. It plans to build a railway and two highways, through Burma or Laos, to Thailand to connect other highways which link with other ASEAN countries.

He Zhiqiang will conclude his visit to Thailand next Monday and will continue his trip to Burma for a similar observation tour. He has recently visited Vietnam and Laos.

In 1993, Yunnan's border trade with neighboring countries was 287.3 billion yuan, of which 88 percent was recorded with Burma, 10 percent with Vietnam, and 2 percent with Laos.

Fighting Between Khun Sa, Burmese Forces Reported

BK1205070594 Bangkok KRUNGTHEP THURAKIT in Thai 12 May 94 p 6

[Text] Khun Sa has mobilized his forces to encircle Burmese Government troops and is trying to recapture Chot Town. In the ensuing battle four Khun Sa soldiers were killed, at least 15 Burmese soldiers were believed killed, and there were many casualties. The latest report says that Khun Sa's men have succeeded in recapturing five bases.

Shan State, 11 May—Four days ago Burmese Government forces attacked a Khun Sa stronghold and captured seven military bases on Doi Hinpong, opposite Thailand's Wiang Haeng District, Chiang Mai province. On the day of the loss of the bases, the Khun Sa troops encircled the Burmese soldiers in the captured bases, triggering heavy fighting along the Thai-Burmese border opposite Thailand's Ban Piang Luang, Wiang Haeng District.

A report says the 250-strong Khun Sa force attacked the Burmese Government force in the bases on Doi Hinpong in Chot Town, about 20 km from the Thai border and recaptured five of the bases.

A report on the fighting by the Thai Task Force 327 in Wiang Haeng District said four Khun Sa soldiers were killed and many wounded. Some of the wounded were taken for treatment to a hospital in Ban Maisung, a Khun Sa liberated area. Some were sent to the district hospital in Wiang Haeng District. The casualties on the Burmese Government side were estimated at no less than 15 killed.

According to Prince Khunduan Saengkham, the secretary general of the Shan State restoration council, the Khun Sa soldiers have been deployed in Tuan and Chang Towns and have completely encircled Chot Town. An attack on the Burmese Government soldiers was expected soon.

The prince said: "We have hired about 20 small buses in Ban Piang Luang to transport soldiers to reinforce the front line and move the wounded soldiers to the district hospital in Wiang Haeng District."

Vietnam

Vo Van Kiet Begins Official Visit in Rangoon

Received by Burmese Counterpart

BK1105151794 Hanoi VNA in English 1422 GMT 11 May 94

[Text] Hanoi VNA May 12—Prime Minister Vo Van Kiet and his wife arrived in Rangoon today, beginning his four-day official friendship visit to Myanmar [Burma] following the invitation of his Burmese counterpart, Senior General Than Shwe.

Prime Minister Vo Van Kiet was given a red carpet welcome at the airport by Prime Minister Than Shwe, his wife, many other senior officials and representatives of the Burmese people of all walks of life.

Receiving Prime Minister Vo Van Kiet and his entourage, Prime Minister Than Shwe welcomed the Myanmar visit of his Vietnamese counterpart and held that the visit is a fine symbol of the desires from both sides to strengthen the friendship and cooperation between Vietnam and Myanmar.

For his part, Prime Minister Vo Van Kiet thanked Prime Minister Than Shwe and other leaders of the Burmese State Law and Order Restoration Council for their warm welcome and was confident that his Myanmar visit would be successful and make a new important step in the friendly and cooperative ties between Vietnam and Myanmar.

Radio Positive on Ties With Burma

BK1205013694 Hanoi Voice of Vietnam in English 1000 GMT 11 May 94

[Text] Prime Minister Vo Van Kiet left Hanoi on Wednesday for an official friendship visit to Myanmar [Burma]. Here is a review of relations between Vietnam and Myanmar:

It is the first official visit to Myanmar by a Vietnamese prime minister since the two countries established diplomatic relations in 1975. The visit takes place at a time when the two countries have viewed advantages for further development. Both Vietnam and Myanmar have been undergoing a period of renovation and reform and have followed an opened-door policy, a market economy, and a foreign policy to befriend all nations. This visit is also a part of Vietnam's policy to broaden friendship and cooperation with all nations in the region, including Myanmar. The visit to Myanmar by the Vietnamese prime minister also takes when peace, stability, and cooperation in the Asia-Pacific region have been strengthened and consolidated.

Though Vietnam and Myanmar officially established diplomatic relations in 1975, they have had relations since 1947. In 1958, the late Vietnamese President Ho Chi Minh visited Myanmar and Myanmar has helped

Vietnam in agriculture. Myanmar attaches great importance to its relationship and cooperation with Vietnam. Most recently, the two countries exchanged delegations at ministerial level and have agreed to strengthen cooperation in afforestation, agriculture, and exploitation of natural resources. Vietnam and Myanmar also wish to join effort with other countries along the Mekong River to exploit water resources.

The visit to Myanmar, the large country of Southeast Asia to be visited by a Vietnamese prime minister, will contribute to the building of Southeast Asia into a zone of peace, cooperation, and stability.

Vo Van Kiet's Activities Updated

BK1205064794 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 11 May 94

[Dispatch from Station Correspondent Dinh Khai in Rangoon]

[Text] Dear friends: Prime Minister Vo Van Kiet has held talks with Senior General Than Shwe, prime minister of the Union of Myanmar [Burma]. The talks took place in the afternoon of 11 May in the capital, Rangoon. Also attending the talks on the Vietnamese side were Foreign Minister Nguyen Manh Cam and members of our government delegation. On the Burmese side were Foreign Minister Ohn Gyaw and many high-ranking Burmese Government officials.

Speaking on this occasion, Prime Minister Than Shwe again stated that he was delighted to welcome Prime Minister Vo Van Kiet and his wife as well as other members of the Vietnamese delegation on their friendship visit to the Union of Myanmar.

Prime Minister Vo Van Kiet thanked His Excellency Prime Minister Than Shwe and his wife for their solemn and cordial reception. He also said that he was very pleased to visit their beautiful country and meet the Burmese people, who are well-known for their diligence and hospitality.

Prime Minister Than Shwe and Prime Minister Vo Van Kiet exchanged information on each country's situation and discussed orientations and measures to further strengthen the traditional friendship and good cooperation between the two countries. The two prime ministers also exchanged views on a number of regional and international issues of common concern. The talks took place in an atmosphere of friendship and mutual understanding.

Also on the afternoon of 11 May, Prime Minister Vo Van Kiet, his wife, and the comrades accompanying him toured the Myanmar Precious Stones Joint Enterprise in Rangoon. On this occasion, Prime Minister Vo Van Kiet and members of our government delegation saw with their own eyes a huge blue jade weighing as much as 33 tons on display in front of the enterprise. The prime minister toured a number of facilities for processing precious stones and exchanged views with leading officials on the management and exploitation of precious stones and joint processing ventures in this field, which constitute one of the three economic sectors in which the Burmese state has a monopoly and which yield great income.

Dear friends: On the evening of 11 May, Senior General Prime Minister Than Shwe and his wife hosted a grand banquet in honor of Prime Minister Vo Van Kiet, his wife, and the members of our government delegation. Also attending the function on the Burmese side were Foreign Minister Ohn Gyaw and many high-ranking Burmese government officials.

Lao Military Delegation Meets Defense Minister

BK1205020194 Hanoi VNA in English 1419 GMT 11 May 94

[Text] Hanoi VNA May 12.—A delegation of the General Political Department of the Lao People's Army led by Sen. Lt.Gen. Siphon Phalikhan, member of the Lao People's Revolutionary Party Central Committee and head of the department, arrived in Hanoi yesterday for a working visit.

The Lao guests were welcomed by Sen. Lt.Gen. Le Kha Phieu, Politburo member and secretary of the Communist Party of Vietnam Central Committee, and head of the General Political Department of the Vietnam People's Army. Host and guest informed each other of the situation of their respective countries, and armies and compared notes on the political work in their armed forces.

They were received here this afternoon by Gen. Doan Khue, Politburo member of the party Central Committee and minister of defence.

Gen. Doan Khue welcomed his guests and wished them a successful visit to Vietnam. He also expressed his hope that the solidarity and special friendship between the two parties, peoples and armies would be further consolidated and developed.

The Lao delegation will call on a number of army units in various localities throughout the country.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.